
Financial Results for the Quarter ended September 30, 2021

KITO CORPORATION
TSE 1st Section: 6409
November 10, 2021

FY2021 Q2 / 3 Months Summary

(JPY in Million)	FY2021 Q2 3 months	Change from FY2020 Q2	Change from FY2019 Q2
Sales	14,495	+21.0%	+1.4%
Op Income	1,467	+43.4%	+9.5%
Net Income *	1,017	+108.1%	+34.7%

* Net Income attributable to owners of parent

- Continued to increased production in response to strong demand in North America and Europe.
- Demand recovery has been only tepid in Japan and Asia. Growing demand related to infrastructure investment is expected.
- Focused on securing supply chains such as material suppliers and transportation routes.

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FY2021 Q2 Financial Results

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FY2021 Forecast

FY2021 Q2 / 6 months Summary

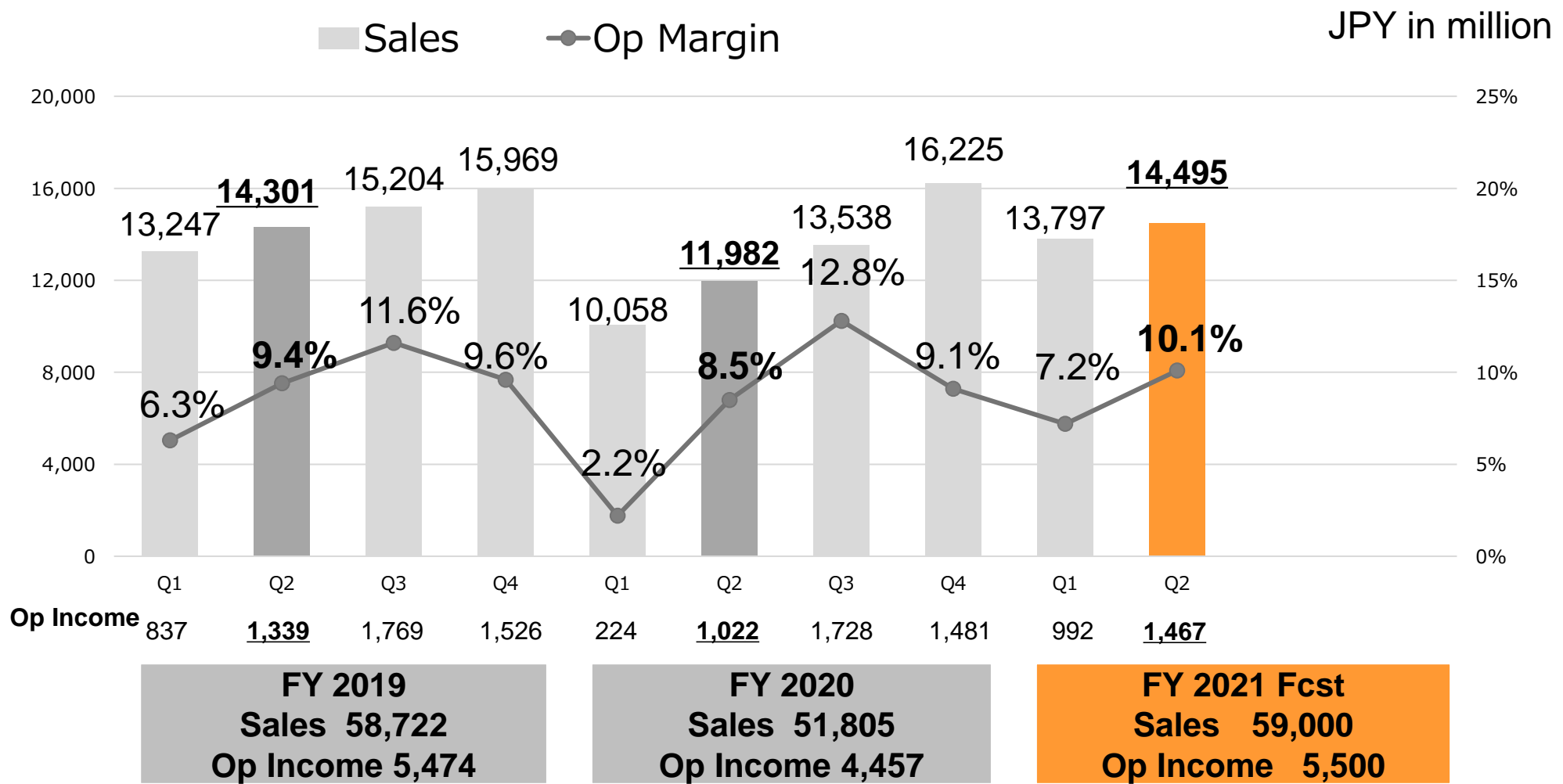
JPY in million	FY2019 Q2	FY2020 Q2	FY2021 Q2	YoY change
Sales	27,548	22,041	28,293	+28.4%
Gross Profit Gross Profit/ Sales	10,341 37.5%	7,973 36.2%	10,151 35.9%	+27.3%
Operating Income Operating Income / Sales	2,177 7.9%	1,247 5.7%	2,459 8.7%	+97.1%
Ordinary Income Ordinary Income / Sales	1,795 6.5%	1,213 5.5%	2,412 8.5%	+98.8%
Net Income Net Income / Sales	1,083 3.9%	166 0.8%	1,678 5.9%	+905.6%
EBITDA Op Income + Depreciation	3,675	2,709	3,977	

Note: Exchange Rate (FY2020 1H -> FY2021 1H)

USD/JPY 106.9->109.8 CAD/JPY 78.7->88.3 EUR/JPY 121.3->130.9 RMB/JPY 15.4->16.7

Quarterly Net Sales and Operating Margin

Sales up to Q2 were at all-time highs for the period.

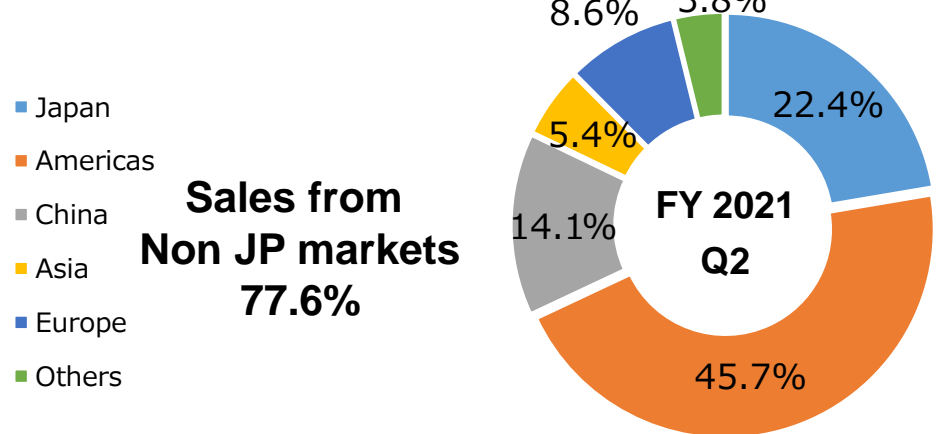
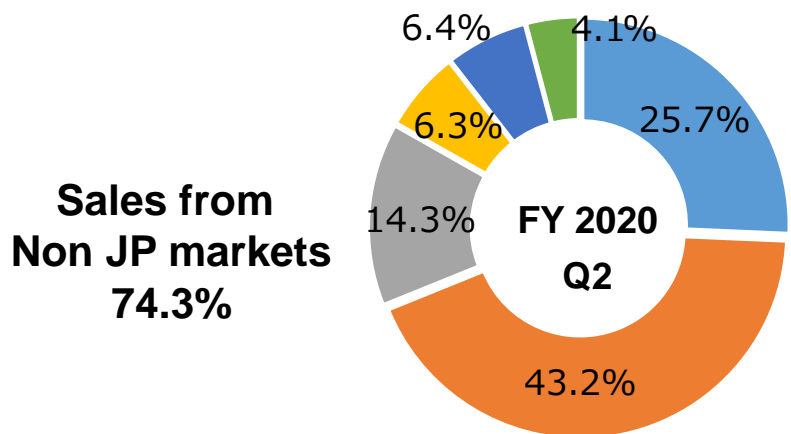


Net Sales by Region / 6 months

JPY in million	FY 2019 Q2		FY 2020 Q2		2022/3期 Q2		YoY change	
		% share		% share		% share	amount	%
Total	27,548	100.0%	22,041	100.0%	28,293	100.0%	6,251	28.4%
Japan	7,277	26.4%	5,660	25.7%	6,325	22.4%	665	11.7%
Americas	12,437	45.2%	9,522	43.2%	12,907	45.7%	3,385	35.6%
China	3,660	13.3%	3,155	14.3%	3,997	14.1%	841	26.7%
Asia	1,603	5.8%	1,385	6.3%	1,533	5.4%	147	10.7%
Europe	1,473	5.3%	1,412	6.4%	2,444	8.6%	1,032	73.1%
Others	1,094	4.0%	904	4.1%	1,084	3.8%	179	19.8%

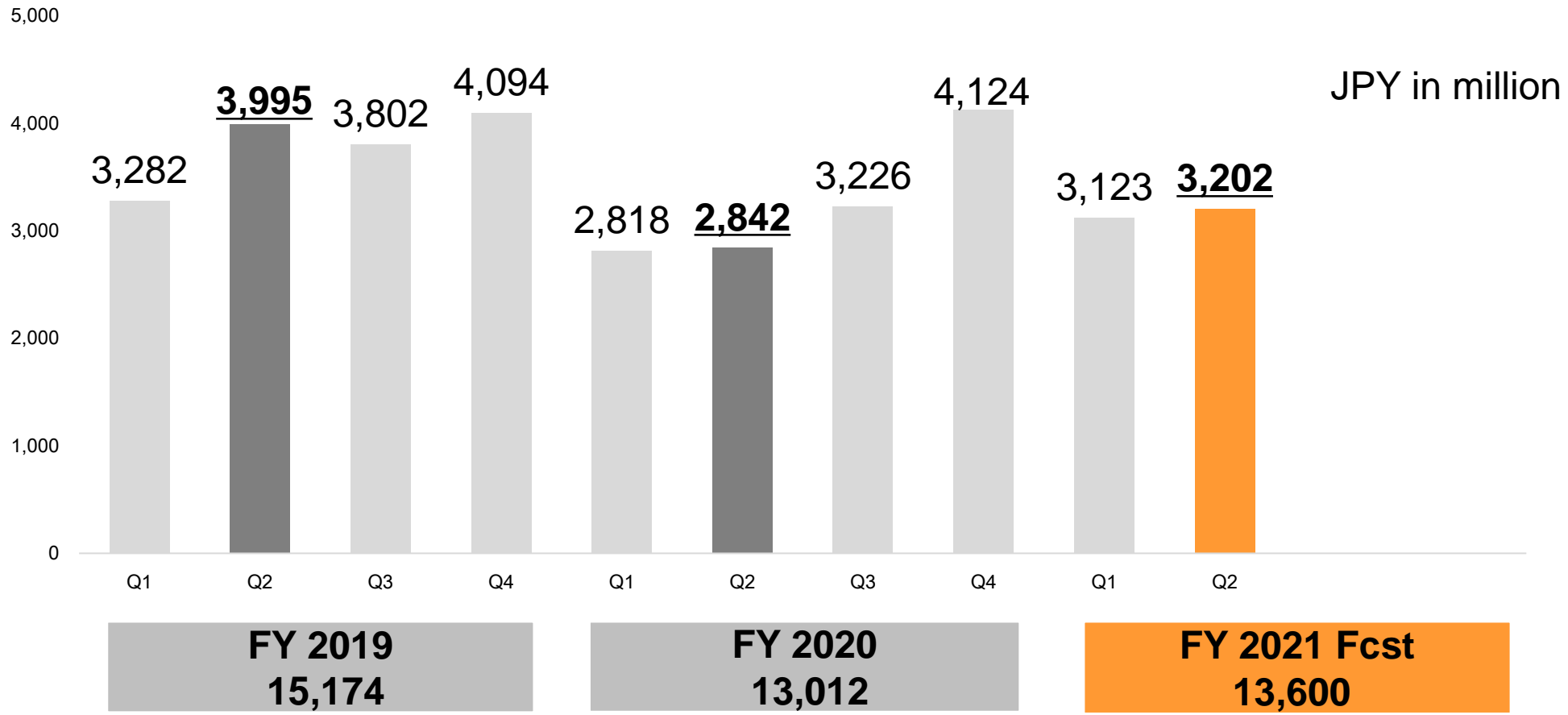
Note: Exchange Rate (FY2020 1H -> FY2021 1H)

USD/JPY 106.9->109.8 CAD/JPY 78.7->88.3 EUR/JPY 121.3->130.9 RMB/JPY 15.4->16.7



Net Sales by Region (Japan)

- The gentle recovery trend continued, though losing some steam under the state of emergency.
- We hope for further growth in demand related to private-sector capital spending and government infrastructure investment.

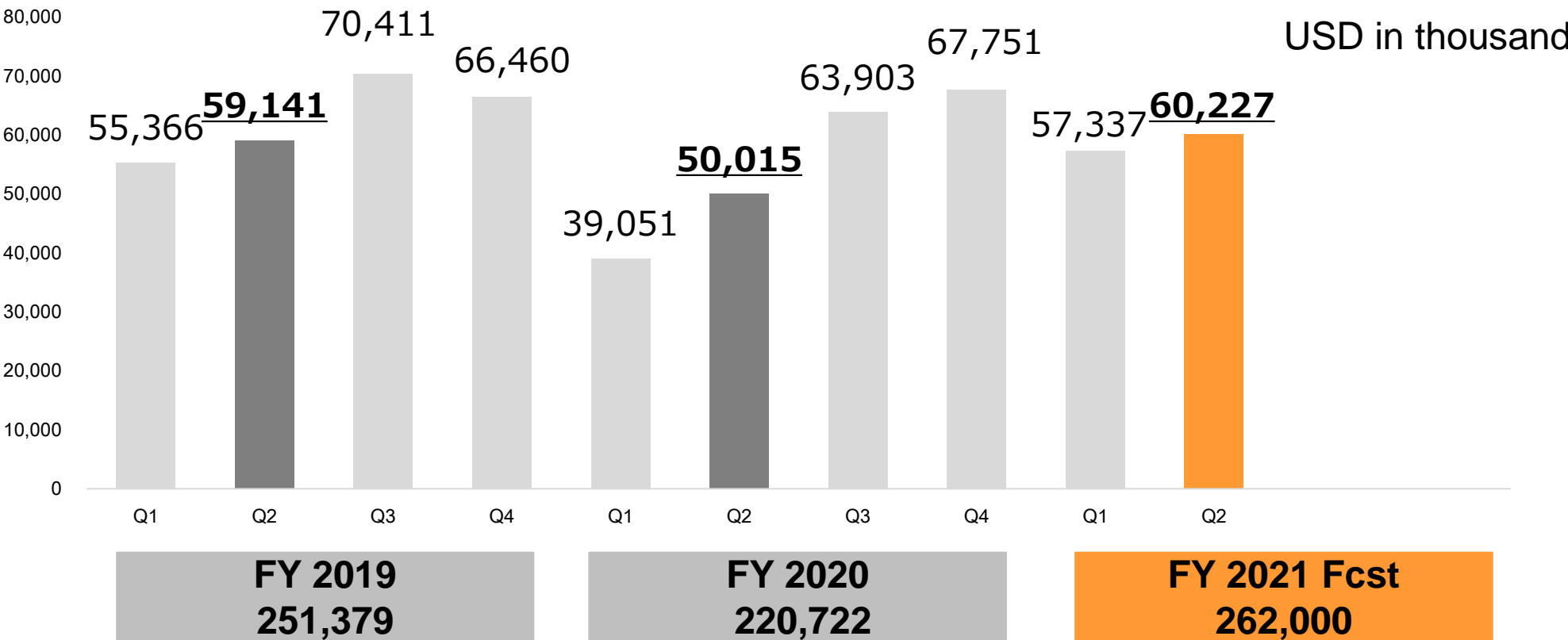


Net Sales by Region (Americas)

The graph shows the total of sales in the US, Canada and Latin America (converted to USD in thousand)

Our Business : The US business is composed of two pillars, hoist and crane business and sales and manufacturing of chain accessories, which was added after the acquisition of Peerless.

- Demand expanded along with the gradual recovery of economic activity. Shipments have been rising for a broad range of industries.
- With the confusion in distribution, our focus was on product supplies and maintaining service quality.

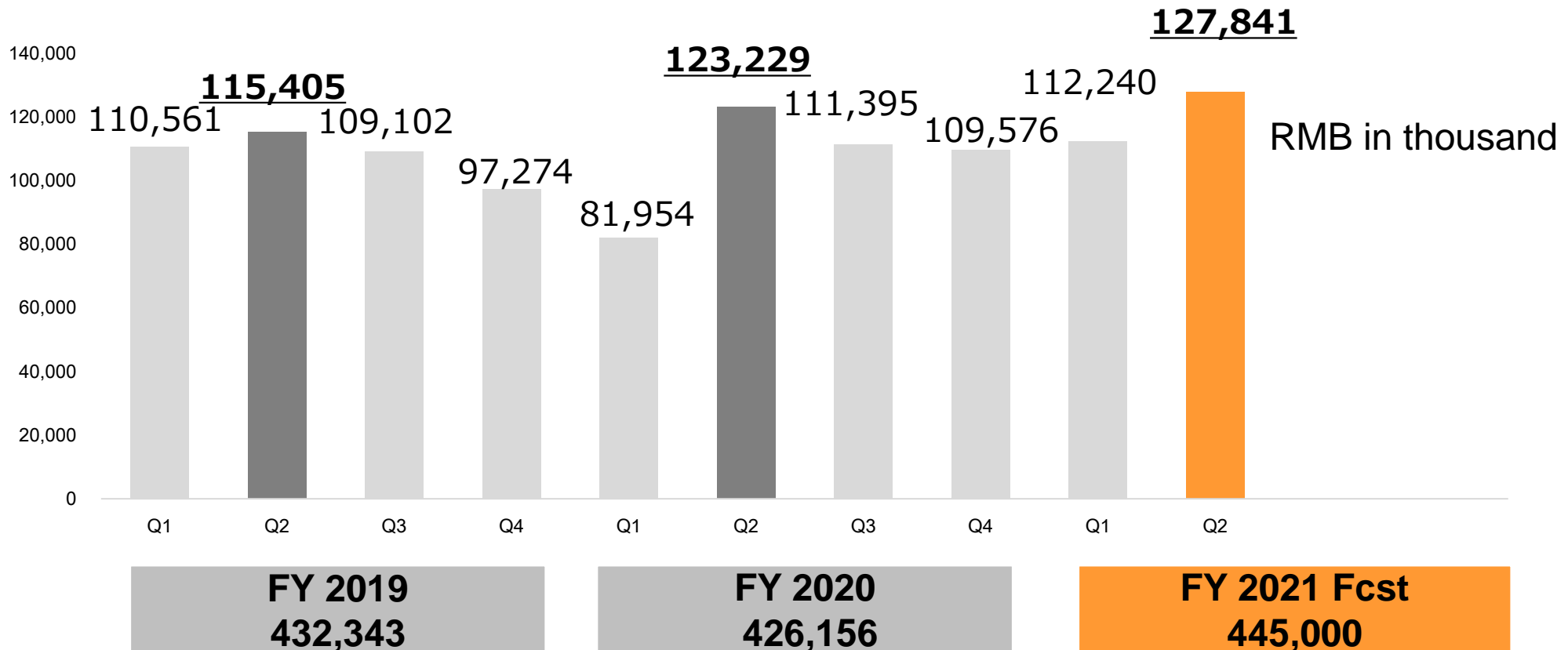


Net Sales by Region (China)

Fiscal year of China starts in January and ends in December

Our Business: The Chinese business is composed of two pillars, production and sales of wire-rope hoists for domestic market, and sales of Japanese high functioning products

- Strong demand continued especially in domestic market since FY2020.

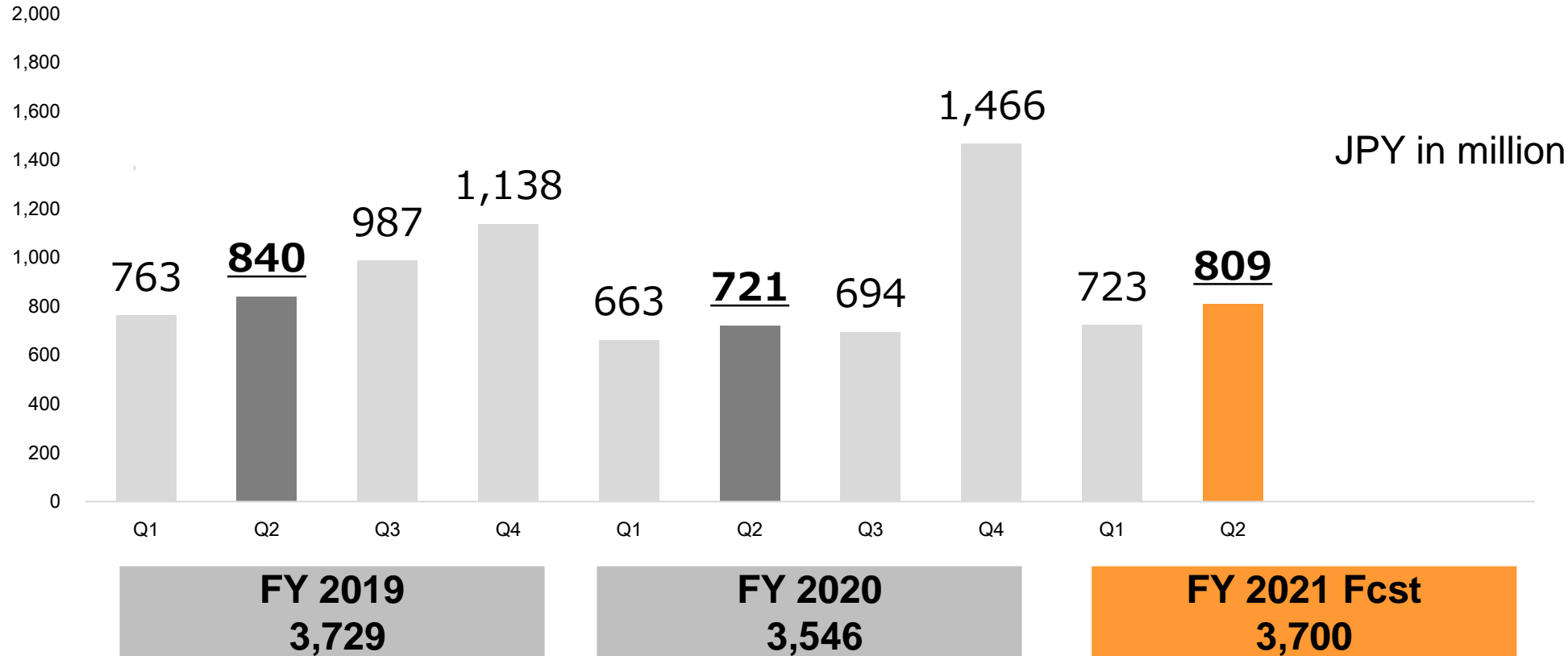


Net Sales by Region (Asia)

FY starts in Jan and ends in Dec: Thailand, Korea, Taiwan
 FY starts in Apr and ends in Mar: Indonesia, India

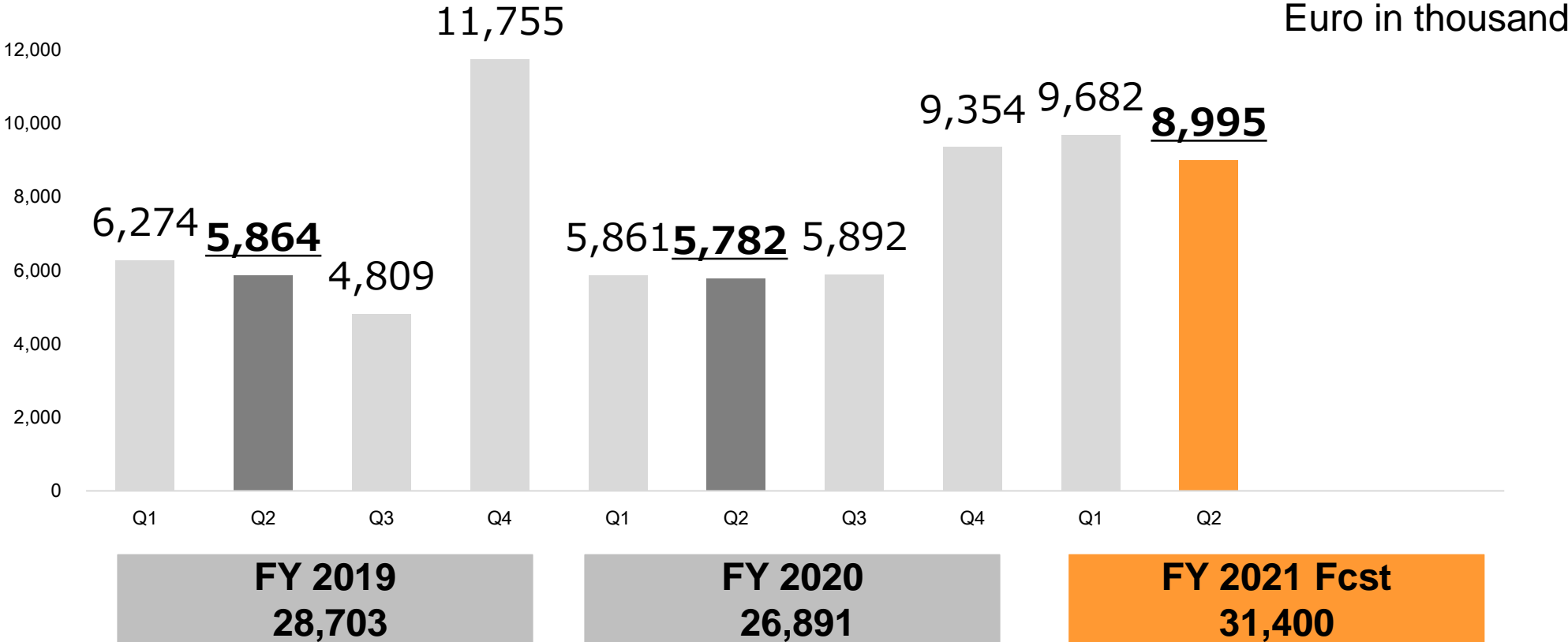
Our Business : The crane business in Thailand and South Korea is the mainstay of this segment. Improving profitability by strengthening hoist sales and maintenance services for crane.

- There are regional and industry differences, but the business environment has been stuffy overall.

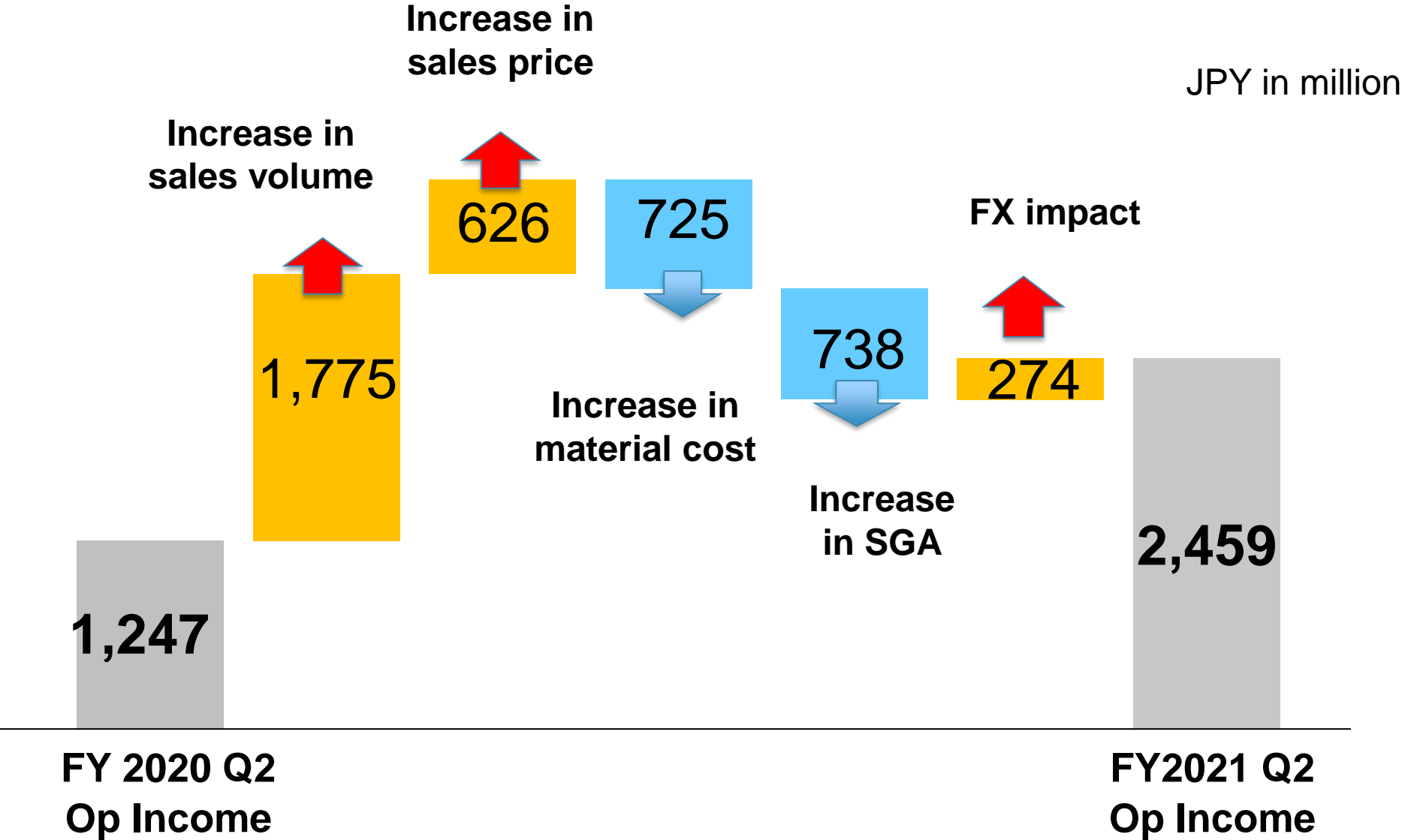


Net Sales by Region (Europe)

- Dutch subsidiary consolidated at the end of FY2020.
- Greater demand captured by differentiation from competitor, leading to steady market penetration.



Operating Income / 6 Months Comparison



Consolidated Balance Sheet (YoY change)

JPY in million	Sep 2020	Sep 2021	Change
Current assets	41,816	42,329	513
Cash	12,919	10,961	(1,958)
Accounts receivable	8,277	10,646	2,369
Inventories	19,344	18,858	(486)
Others	1,274	1,864	589
Fixed assets	21,506	22,100	594
Tangible fixed assets	12,323	13,489	1,166
Intangible fixed assets	4,928	4,740	(187)
Investment & other assets	4,254	3,869	(385)
Total assets	63,322	64,430	1,107

JPY in million	Sep 2020	Sep 2021	Change
Current liabilities	23,065	17,203	(5,862)
Accounts payable	5,087	6,504	1,417
Short-term debt *	12,906	4,908	(7,997)
Others	5,072	5,790	718
Fixed liabilities	12,762	14,675	1,913
Long-term debt	9,132	11,007	1,875
Others	3,630	3,668	38
Total net assets	27,494	32,551	5,056
Total liabilities and net assets	63,322	64,430	1,107

* Includes Current portion of long-term loans payable

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FY2021 Forecast

FY2021 Forecast

- Demand, particularly in the US and Europe, will likely be higher than our initial projection.
- Increasing cost of material and transportation considered.

JPY in million	Previous Fcst (May 10, 2021)	Revised Fcst (Sep 29, 2021)	Change	FY2020 results
Sales	55,000	59,000	4,000	51,805
Operating Income Operating Income / Sales	5,000 9.1 %	5,500 9.3 %	500	4,457 8.6%
Ordinary Income Ordinary Income / Sales	4,800 8.7 %	5,300 9.0 %	500	4,550 8.8%
Net Income Net Income / Sales	3,200 5.8 %	3,600 6.1 %	400	2,344 4.5%
EBITDA Op Income +Depreciation	7,900	8,400	500	7,503
CAPEX	3,500	3,500	-	2,504

Note: Exchange Rate (Previous -> Revised Forecast)

USD/JPY 105.0->106.6 CAD/JPY 85.0->86.3 EUR/JPY 125.0->127.2 RMB/JPY 16.0->16.4

FY2021 Forecast

JPY in million	FY 2020		FY 2021 Forecast		YoY change	
		% share		% share	amount	% share
Total	51,805	100.0%	59,000	100.0%	7,195	+13.9%
Japan	13,012	25.1%	13,600	23.1%	588	+4.5%
Americas	23,409	45.3%	27,900	47.3%	4,491	+19.2%
China	6,596	12.7%	7,300	12.4%	704	+10.7%
Asia	3,546	6.8%	3,700	6.3%	154	+4.3%
Europe	3,326	6.4%	4,000	6.8%	674	+20.3%
Others	1,913	3.7%	2,500	4.2%	587	+30.7%

Note: Exchange Rate (FY2020 -> FY2021)

USD/JPY 106.1->106.6 CAD/JPY 80.3->86.3 EUR/JPY 123.7->127.2 RMB/JPY 15.5->16.4

FY2021 Dividend Forecast

