
Financial Results for the Fiscal Year ended March 31, 2022

KITO CORPORATION

TSE : 6409

May 16, 2022

FY2021 Summary

JPY in million	FY 2020	FY2021 Ended Mar. 2022	Change	FY2018
Net sales	51,805	62,506	20.7%	61,238
Op income	4,457	6,184	38.7%	6,413
Ord. income	4,550	6,415	41.0%	5,748
Net income	2,344	4,563	94.7%	4,064

* Net Income attributable to owners of parent

- Continued to increased production in response to strong recovery of demand in North America and Europe.
- Focused on maintaining customer service by securing supply chains such as material suppliers and transportation routes.
- The impact on profits due to soaring costs of materials and transportation became apparent.
- Sales, Ordinary income and Net income are exceeded record high of FY2018.

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FY2021 Financial Results

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FY2022 Forecast

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Reference

- Five Year Financial Results (FY2017 – FY2021)
- Kito's Business

FY2021 Financial Highlight

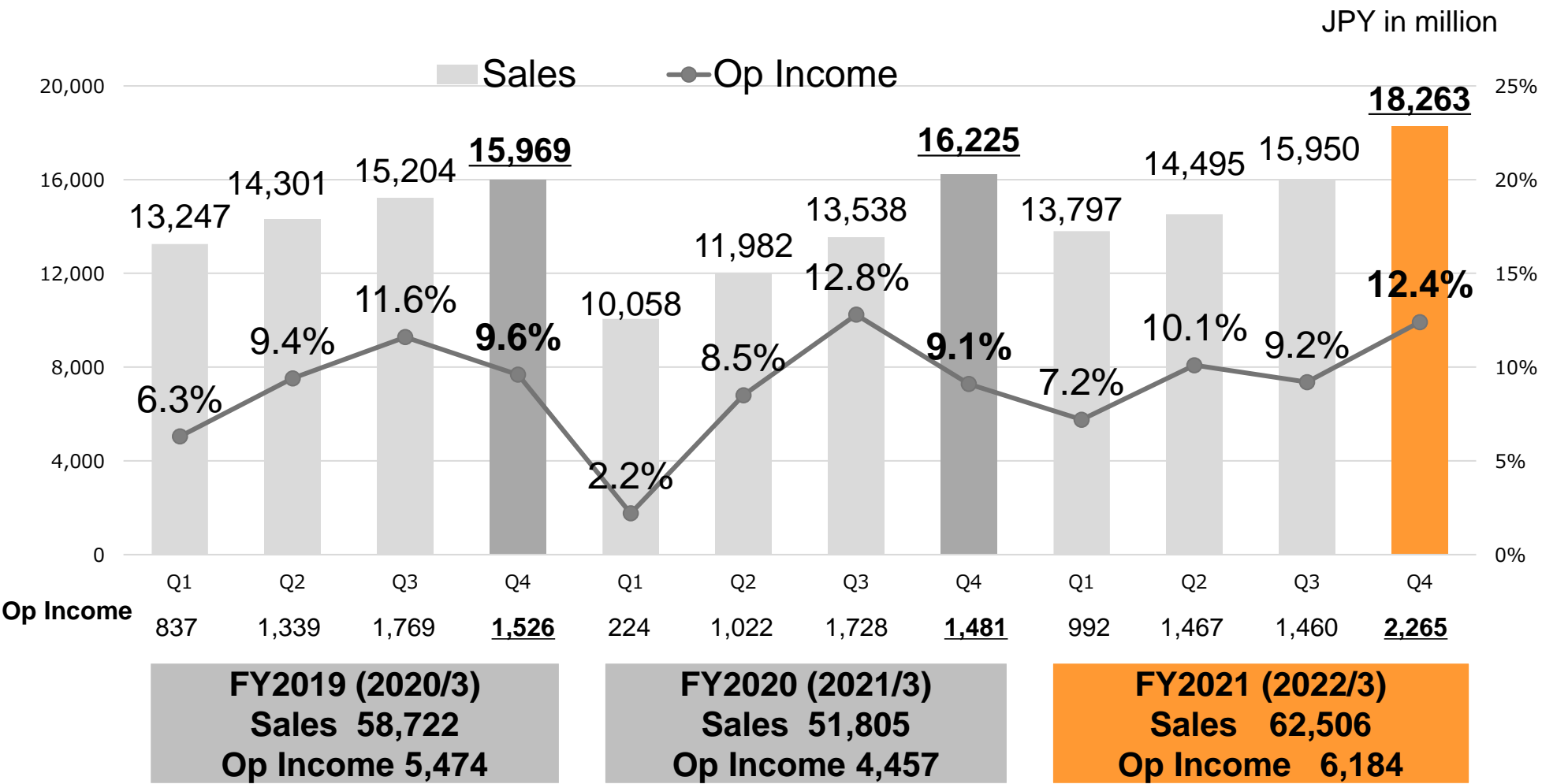
JPY in million	FY2019	FY2020	FY2021 ended Mar. 2022	YoY change
Sales	58,722	51,805	62,506	+20.7%
Gross Profit Gross Profit / Sales	21,979 37.4%	18,724 36.1%	22,731 36.4%	+21.4%
Operating Income Operating Income / Sales	5,474 9.3%	4,457 8.6%	6,184 9.9%	+38.7%
Ordinary Income Ordinary Income / Sales	4,991 8.5%	4,550 8.8%	6,415 10.3%	+41.0%
Net Income Net Income / Sales	3,204 5.5%	2,344 4.5%	4,563 7.3%	+94.7%
EBITDA Op Income + Depreciation	8,508	7,503	9,148	

Note: Exchange Rate (FY2020 → FY2021)

USD/JPY 106.1→112.4 CAD/JPY 80.3→89.7 EUR/JPY 123.7→130.6 RMB/JPY 15.5→17.0

Quarterly Net Sales and Operating Margin

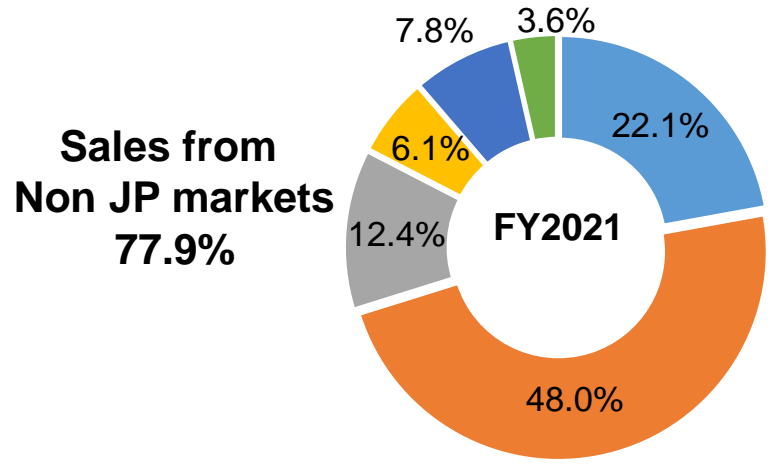
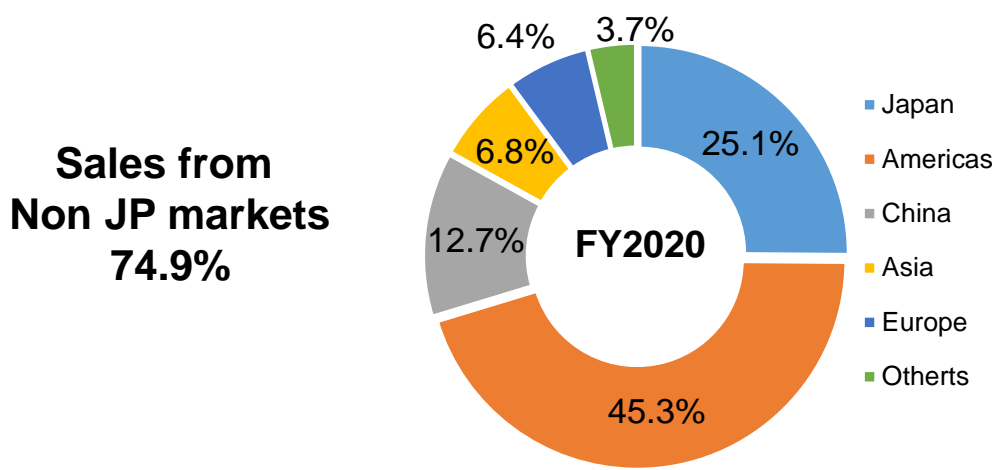
Record high sales due to increased demand amid an economic recovery
2nd highest Op income after the 2019/3 period, with higher material costs impacted.



Net Sales by Region

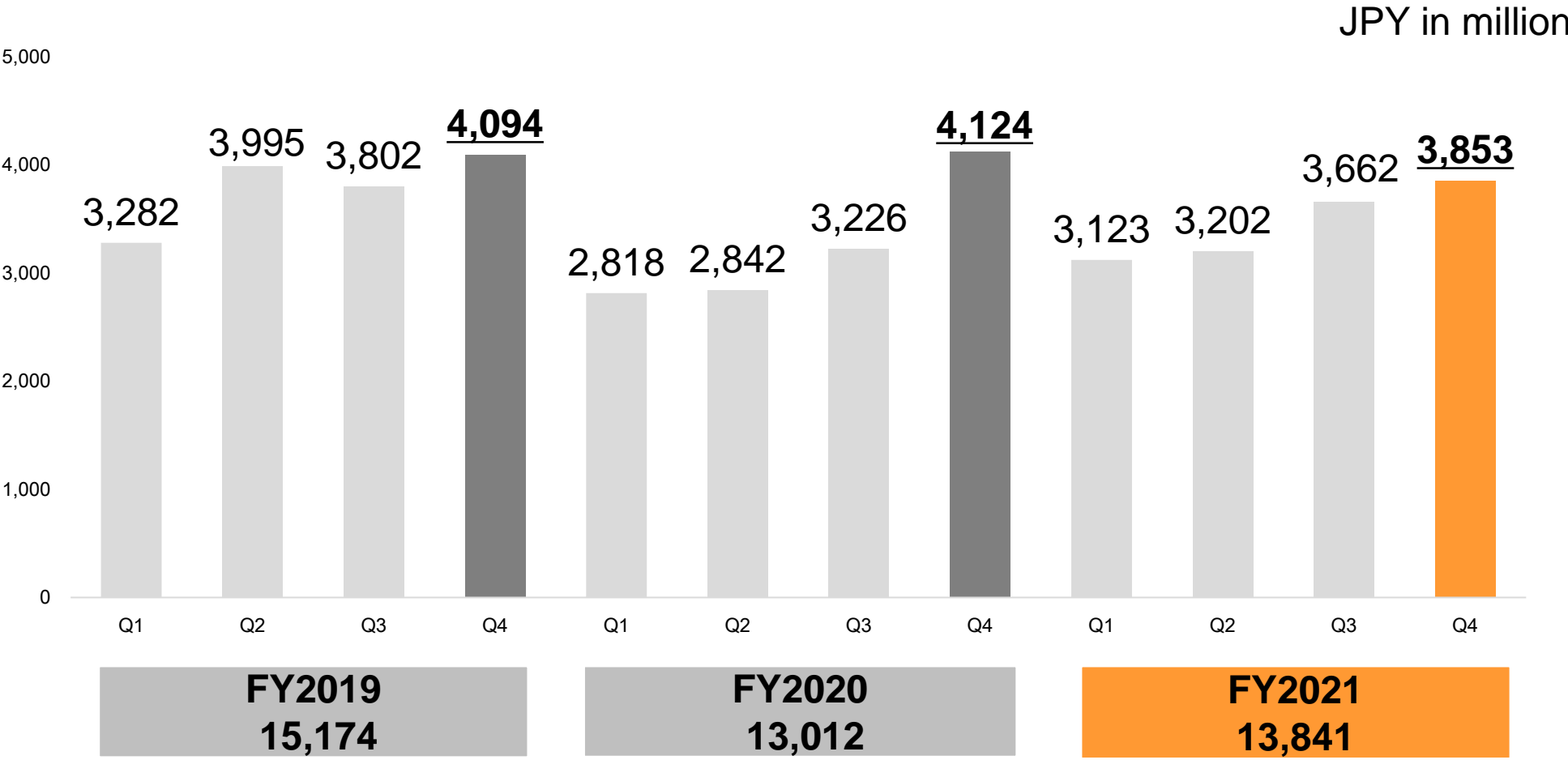
JPY in million	FY2019		FY2020		FY2021		YoY Change	
		% share		% share		% share		
Total	58,722	100.0%	51,805	100.0%	62,506	100.0%	10,701	20.7%
Japan	15,174	25.8%	13,012	25.1%	13,841	22.1%	829	6.4%
Americas	27,332	46.6%	23,409	45.3%	30,025	48.0%	6,615	28.3%
China	6,822	11.6%	6,596	12.7%	7,747	12.4%	1,150	17.4%
Asia	3,729	6.4%	3,546	6.8%	3,823	6.1%	276	7.8%
Europe	3,467	5.9%	3,326	6.4%	4,848	7.8%	1,522	45.8%
Others	2,196	3.7%	1,913	3.7%	2,220	3.6%	306	16.0%

Note: Exchange Rate (FY2020 → FY2021)
USD/JPY 106.1→112.4 CAD/JPY 80.3→89.7 EUR/JPY 123.7→130.6 RMB/JPY 15.5→17.0



Net Sales by Region (Japan)

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

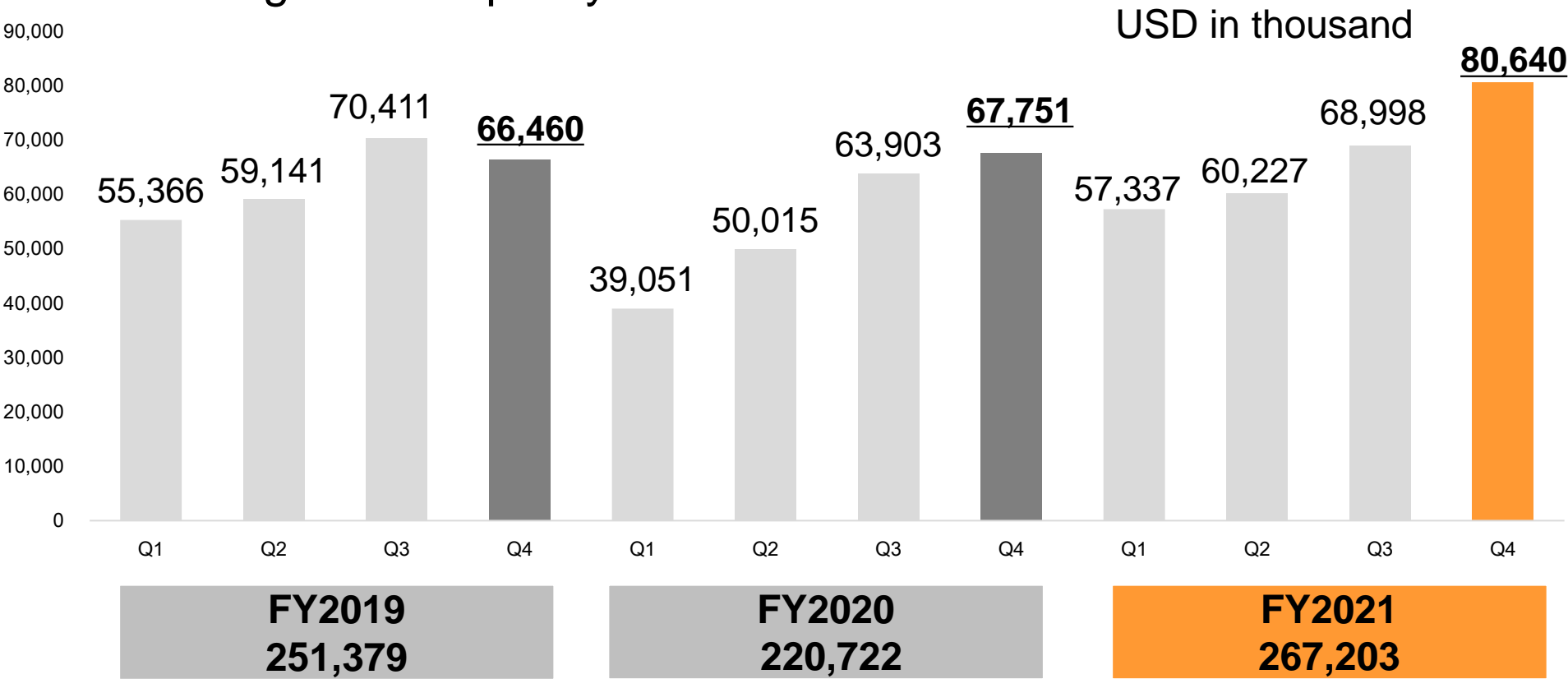


Net Sales by Region (Americas)

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 rapidly along with the recovery of economic activity. Achieved record sales and profit.
- With the confusion in distribution, our focus was on product supplies and maintaining service quality.

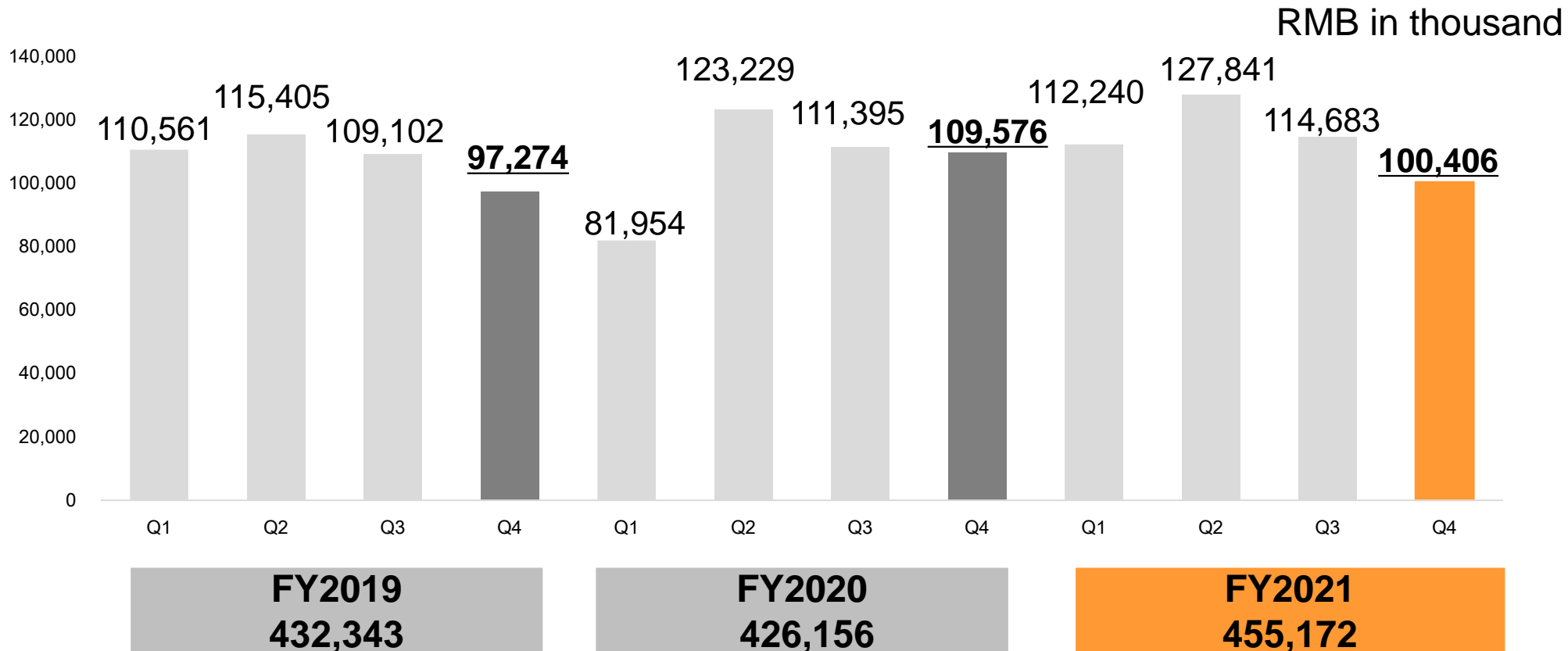


Net Sales by Region (China)

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.

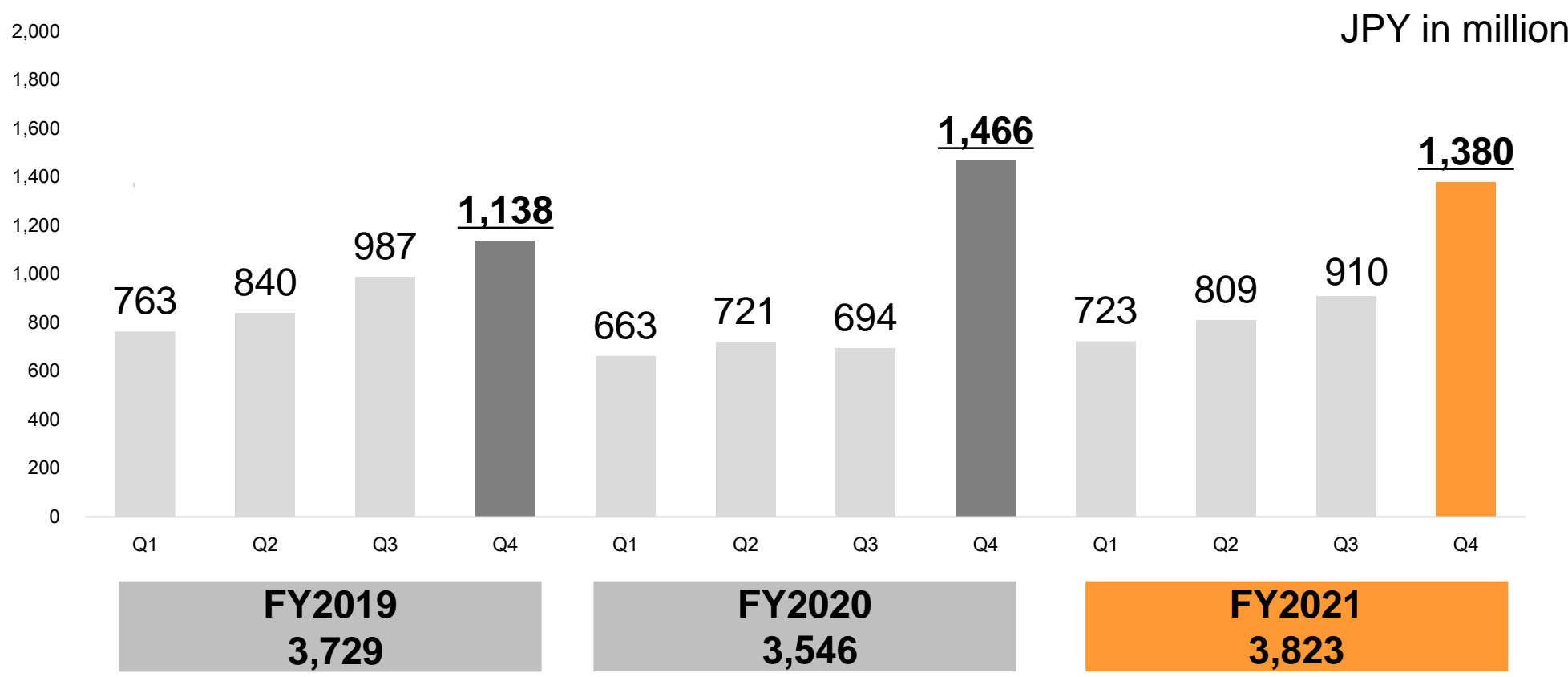


Net Sales by Region (Asia)

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

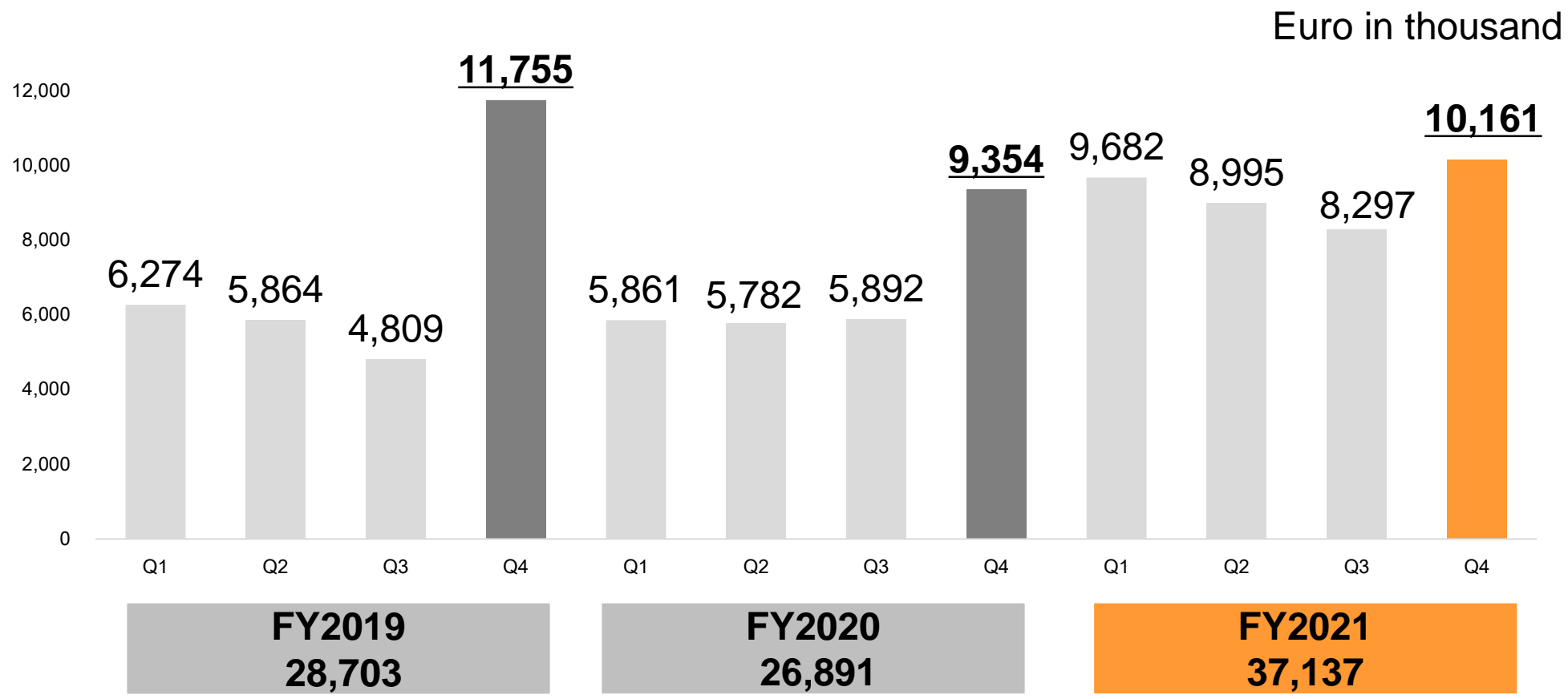
Our Business : The crane business in Thailand and South Korea is the mainstay of this segment.
Improving profitability by strengthening hoist sales and maintenance services for crane.

- The business environment has been gradually recovering, with the lifting of restrictions on economic activities.



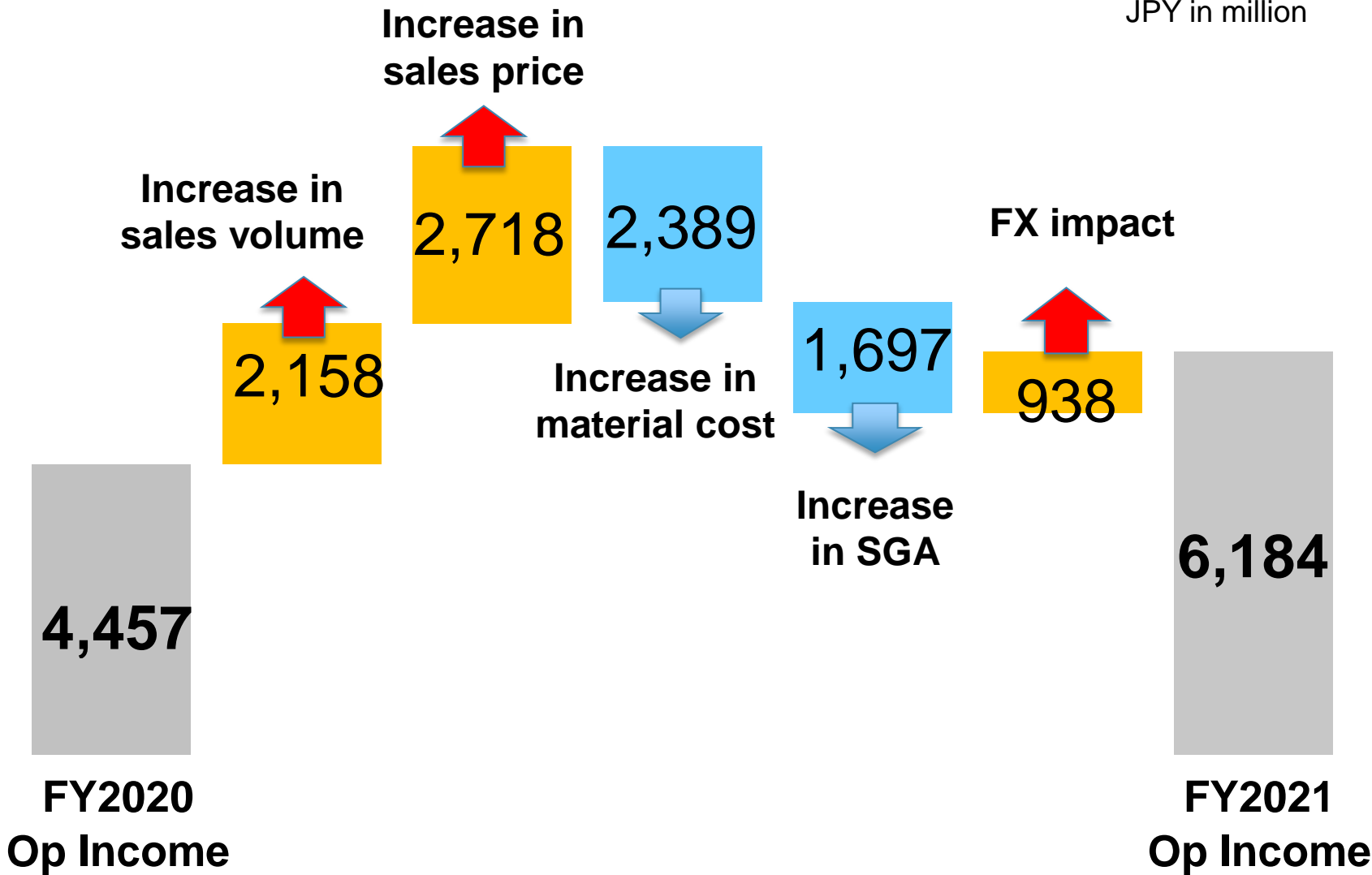
Net Sales by Region (Europe)

- Differentiation from competitors helped capture greater demand, leading to steady market penetration.
- The impact of higher material and energy cost on profits became apparent.



Operating Income Comparison

JPY in million



Consolidated Balance Sheet (YoY change)

JPY in million	Dec 2020	Dec 2021	Change	JPY in million	Dec 2020	Dec 2021	Change
Current assets	43,735	47,450	3,715	Current liabilities	23,011	20,908	(2,102)
Cash	13,734	11,269	(2,465)	Accounts payable	5,028	7,528	2,499
Accounts receivable	11,369	13,041	1,671	Short-term * debt	11,983	5,243	(6,740)
Inventories	17,341	21,512	4,170	Others	5,998	8,137	2,138
Others	1,289	1,627	338	Fixed liabilities	11,488	14,534	3,045
Fixed assets	21,332	25,039	3,707	Long-term debt	7,894	10,437	2,543
Tangible fixed assets	12,628	15,721	3,093	Others	3,594	4,096	502
Intangible fixed assets	5,003	4,738	(264)	Total net assets	30,567	37,047	6,479
Investment & other assets	3,701	4,580	878	Total liabilities and net assets	65,067	72,490	7,422
Total assets	65,067	72,490	7,422				

* Includes Current portion of long-term loans payable

Consolidated Cash Flows

JPY in million	FY2020	FY2021	Change
Cash flows from operating activities	6,662	7,825	1,162
Cash flows from investing activities	(2,300)	(4,552)	(2,252)
Cash flows from financing activities	(82)	(6,183)	(6,100)
Effect of exchange rate changes on cash and cash equivalents	147	455	307
Net increase (decrease) in cash and cash equivalent	4,427	(2,455)	(6,883)
Cash and cash equivalents at end of period	13,725	11,269	(2,455)

CF from operating activities

Income before income taxes	6,275
Depreciation and amortization	2,647
(Increase) in trade receivables :	(679)
(Increase) in inventories	(2,832)

CF from investing activities

Acquisition of tangible fixed assets	(4,166)
Acquisition of intangible fixed assets	(357)

CF from financing activities

Increase in short term debt	6,004
Repayments of short-term debt	(12,692)
Increase in long term debt	6,822
Repayments of long-term debt	(4,959)

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FY2022 Forecast

- Steadily capture strong demand and aim for record-high performance
- Further expand customer services by strengthening e-commerce sites
- Contribute broadly to society using an environment-conscious supply chain and products and services that help secure safe work environments.

JPY in million	FY2021	FY2022 Forecast	YoY
Sales	62,506	70,000	12.0%
Operating Income Operating Income / Sales	6,184 9.9%	6,500 9.3%	5.1%
Ordinary Income Ordinary Income / Sales	6,415 10.3%	6,400 9.1%	(0.2%)
Net Income Net Income / Sales	4,563 7.3%	4,200 6.0%	(8.0%)
EBITDA Op Income + Depreciation	9,148	9,400	2.8%
CAPEX	4,523	5,800	

Note: Exchange Rate (FY2021 -> **FY2022**)

USD/JPY 112.4->**120.0** CAD/JPY 89.7->**100.0** EUR/JPY 130.6->**135.0** RMB/JPY 17.0->**20.0**

FY2022 Forecast

Japan Sales forecast JPY 15 billion (up 8.4% YoY)

- Market**
- Urban development and infra-related projects become apparent.
 - Economic recovery led by small and midsize companies is expected.
- Initiative**
- Enhance sales by dedicating personnel to large projects.
 - steadily capture replacement demand
 - Improvement of the EC website and better customer service.

Americas Sales forecast JPY 32.5 billion (up 8.2% YoY)

- Market**
- Firm demand for both private sector investment and infrastructure investment remained firm
 - Impact of material cost, disruptions in transportation, labor shortage needs careful watching.
- Initiative**
- Differentiate from competitors and seek synergies between increased share and market expansion.
 - Review pricing and focus on reliable product supply and maintenance of customer-service quality.

FY2022 Forecast

China Sales forecast JPY 9.2 billion (up 18.8% YoY)

- Market** - Share growth is trending higher with increasing public awareness about environment and quality.
- Initiative** - Strengthen differentiation strategy by promoting safety value

Asia Sales forecast JPY 5.3 billion (up 38.6% YoY)

- Market** - LCD-related demand in South Korea is recovering
- Emerging from prolonged period of stagnation
- Initiative** - Enhance services like crane maintenance and hoist sales.
- Work to expand customer bases in Thailand and South Korea.

Europe Sales forecast JPY 5.6 billion (up 15.5% YoY)

- Market** - Stable demand despite geopolitical concerns
- Soaring energy costs must be closely monitored.
- Initiative** - Further business growth through synergy of cooperation among group companies

FY2022 Forecast

JPY in million	FY2021		FY2022 Forecast		YoY Change	
		% share		% share		% change
Total	62,506	100.0%	70,000	100.0%	7,494	12.0%
Japan	13,841	22.1%	15,000	21.4%	1,159	8.4%
Americas	30,025	48.0%	32,500	46.5%	2,475	8.2%
China	7,747	12.4%	9,200	13.1%	1,453	18.8%
Asia	3,823	6.1%	5,300	7.6%	1,477	38.6%
Europe	4,848	7.8%	5,600	8.0%	752	15.5%
Others	2,220	3.6%	2,400	3.4%	180	8.1%

Note: Exchange Rate (FY2021 -> **FY2022**)

USD/JPY 112.4->**120.0** CAD/JPY 89.7->**100.0** EUR/JPY 130.6->**135.0** RMB/JPY 17.0->**20.0**

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FY2022 Forecast

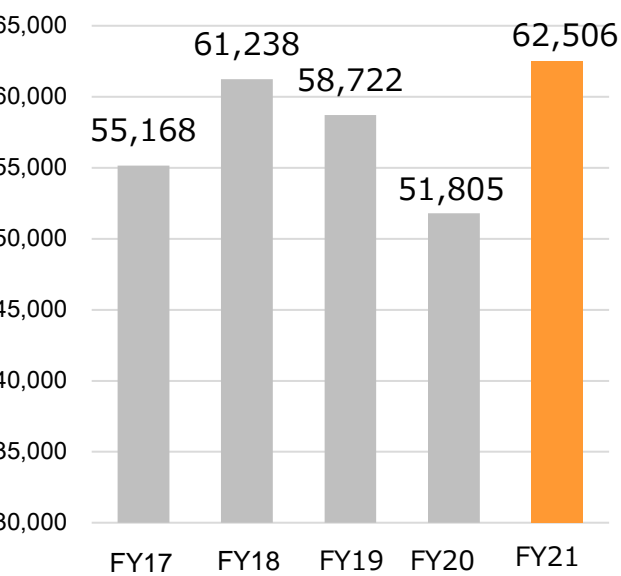
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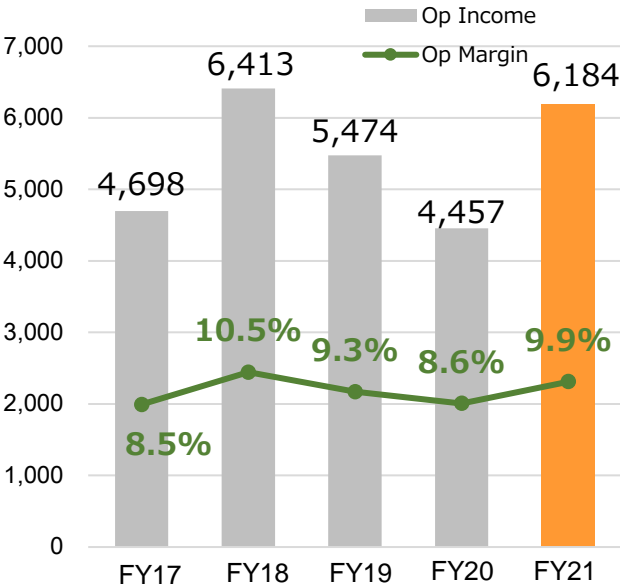
- **Five Year Financial Results (FY2017 – FY2021)**
- **Kito's Business**

Key Figures

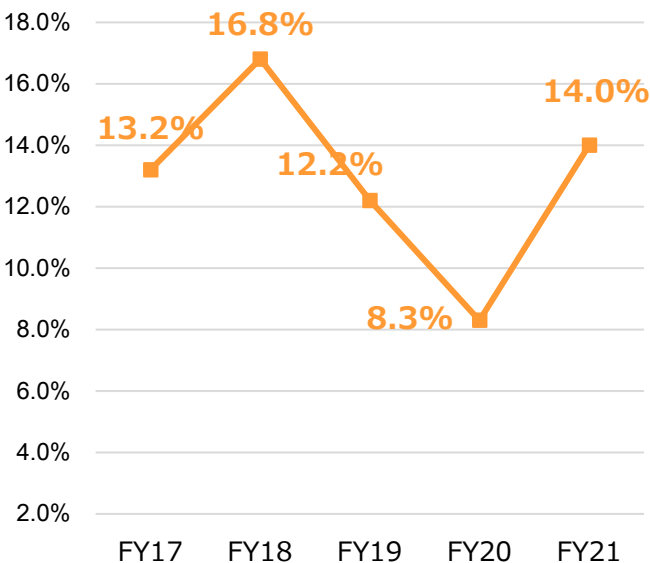
Sales



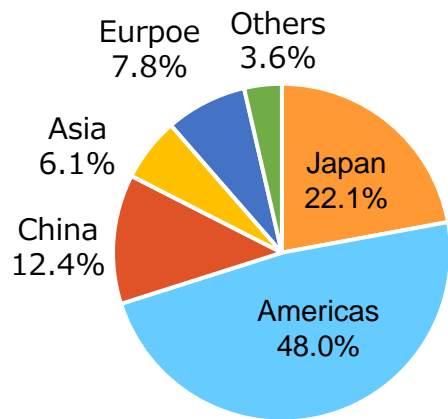
OP Income and Op margin



ROE

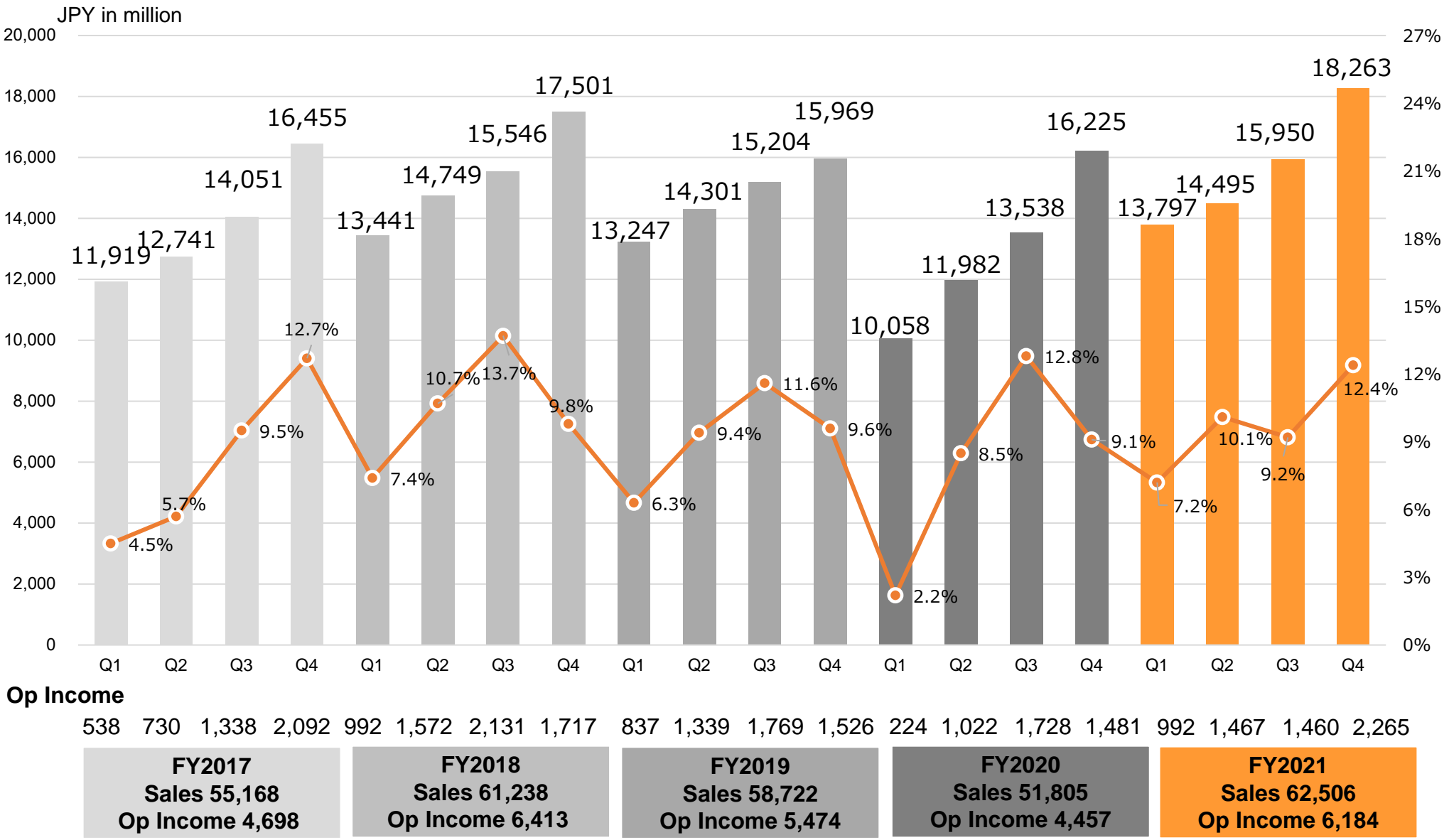


Sales by Region in FY2020



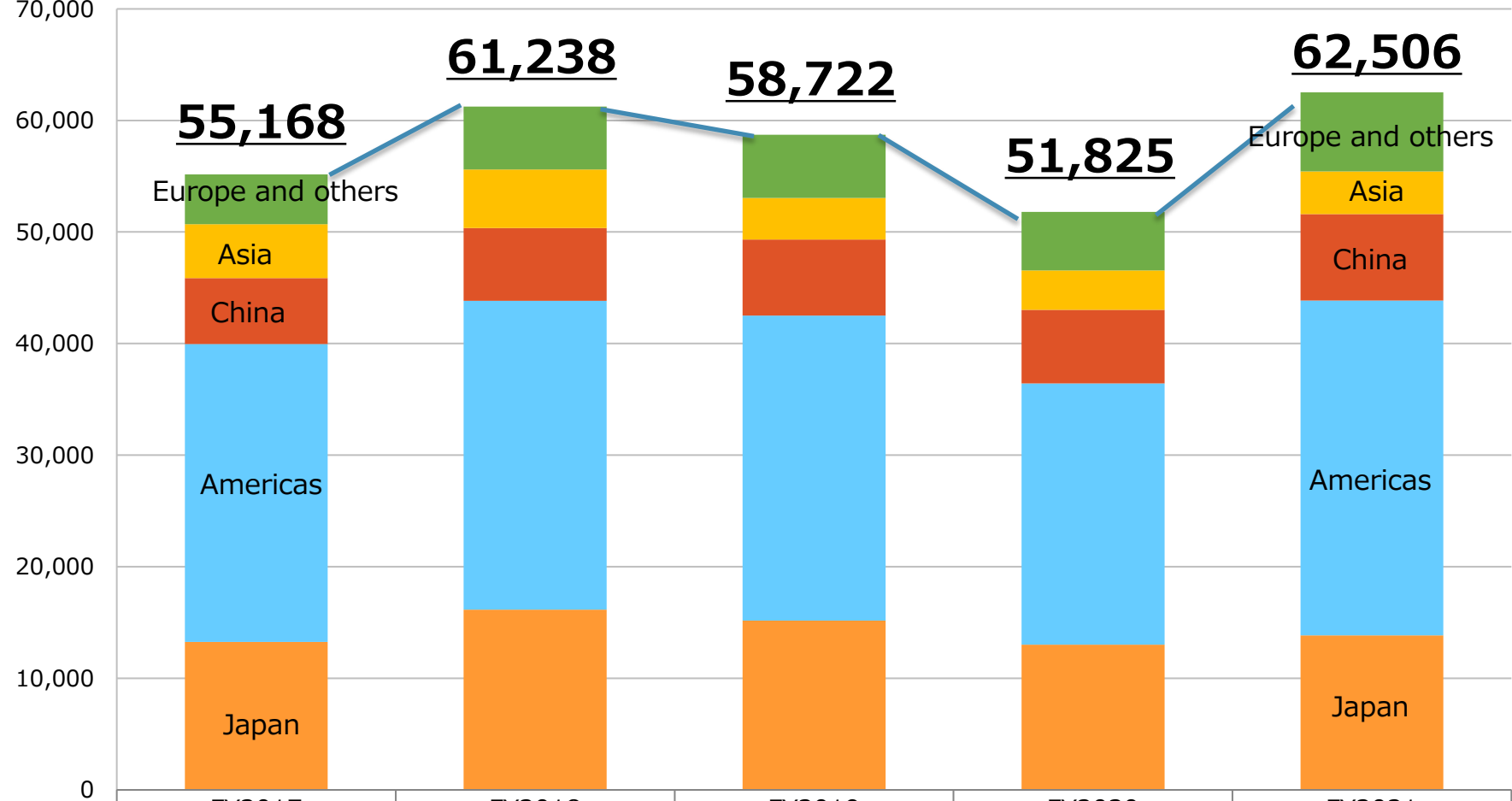
	FY2017	FY2018	FY2019	FY2020	FY2021
Sales from Non JP Mkts	76.0%	73.6%	74.2%	74.9%	77.9%
Average FX Rate					
USD/JPY	110.9	110.9	108.7	106.1	112.4
CAD/JPY	86.5	84.6	81.8	80.3	89.7
EUR/JPY	129.7	128.4	120.8	123.7	130.6
RMB/JPY	16.6	16.7	15.8	15.5	17.0
Capex (JPY in million)	1,411	1,416	1,689	2,504	4,510
Depreciation (JPY in million)	2,116	2,470	2,711	2,697	2,647

Quarterly Sales and Operating Margin



Sales by Regions

JPY in million



	FY2017	FY2018	FY2019	FY2020	FY2021
Europe and others	4,465	5,634	5,663	5,239	7,068
Asia	4,837	5,239	3,729	3,546	3,823
China	5,903	6,539	6,822	6,596	7,747
Americas	26,700	27,663	27,332	23,409	30,025
Japan	13,261	16,162	15,174	13,012	13,841

Business Structure

Kito Advantages

A leading company in material handling equipment, hoists and crane, which are indispensable in lifting, transporting, and securing objects



Growth Opportunities

At any stage of economic development

In all industries, in any country

Mature product with expanding demand

Product Domain

■ Cranes

- Three-dimensional movement made possible in combination with hoists



■ Hoists

- Manual and electric chain hoists are core products
- Wire-rope hoists are the mainstay in China



■ Below Hook Devices

- Intermediary attachments for hoisting and loads

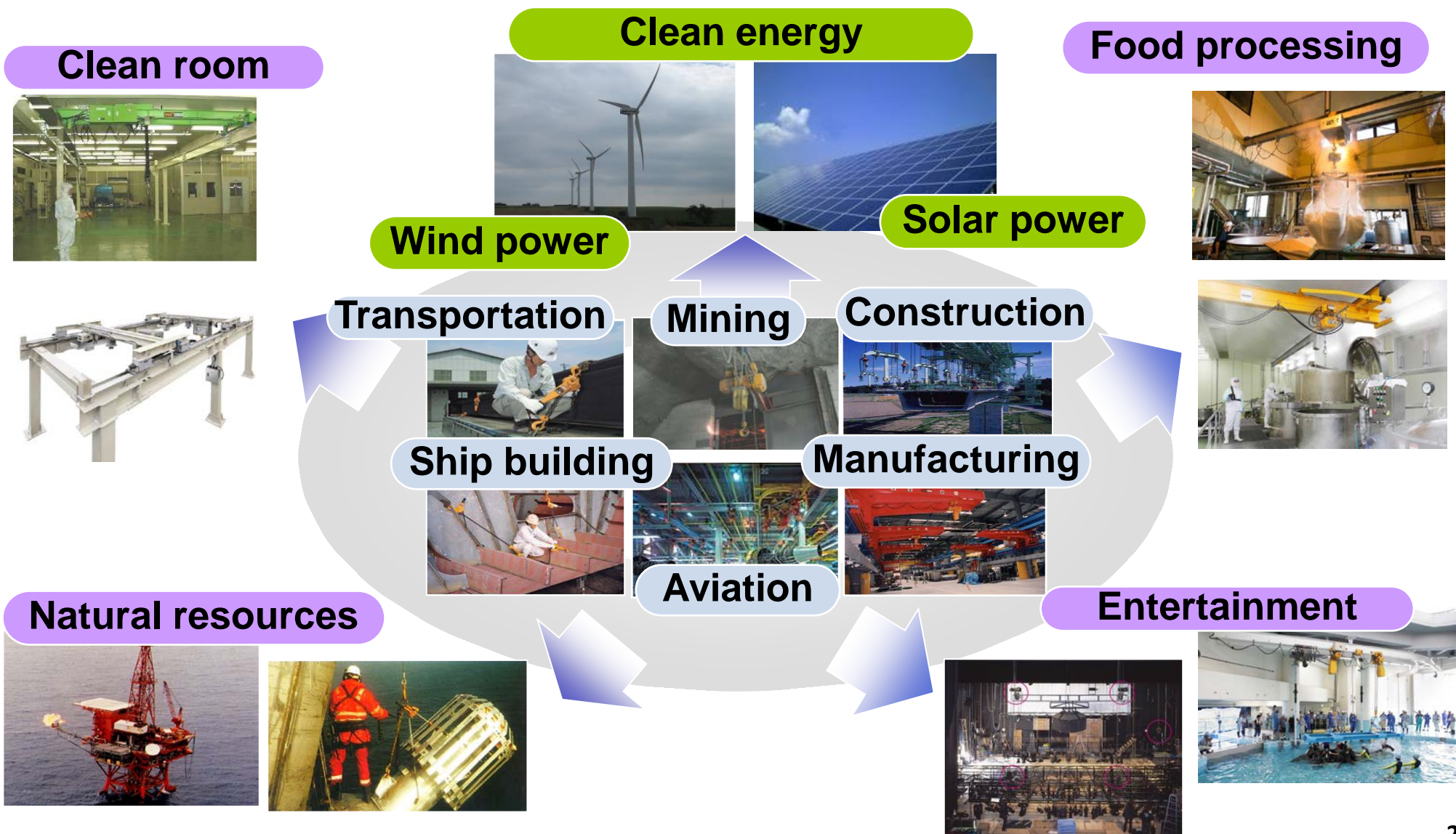


■ Various Chain

- Chain for transportation, moving, holding, hauling, etc.
- Shipping, agriculture, forestry, tires, and other industries



Expanding Customer Base



Strength of Kito Operations

Kito = Trusted brand

Product Power

Durability

Safety

High performance

High operability

Technological Advantages

Response to complex customer needs with state-of-art technology (engineering)

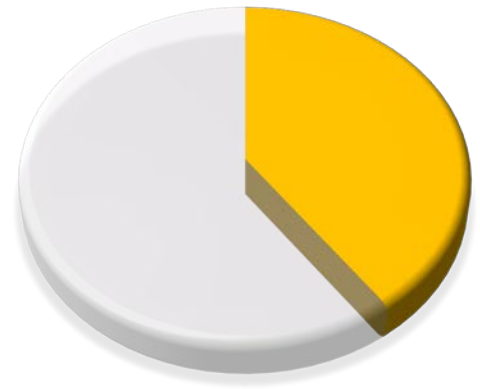
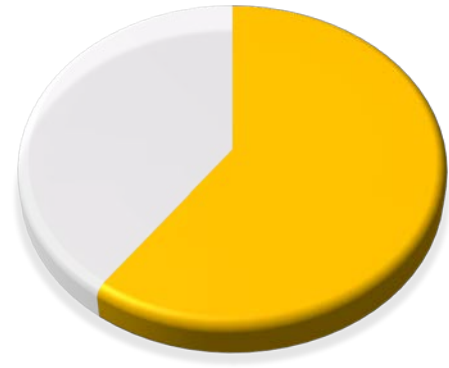
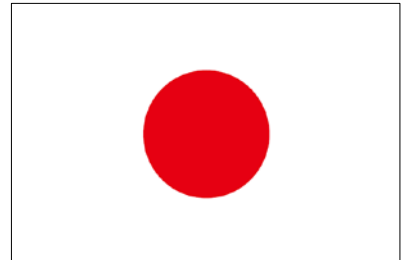
Service Network

Extensive network to provide service for high customer satisfaction



- Differentiation with high value-added products and services
Strong reputation in markets demanding high quality

Global Share



Sales Growth in Overseas Markets

- Growth in overseas markets helped building a business portfolio with good regional balance.
- Stable growth not depending on demand in any particular region

