



Kito Corporation  
FY2020 Business Report  
April 1, 2020 ▶ March 31, 2021



**Yoshio Kito,**  
President and CEO

Thank you very much for your continuing support.

Fiscal 2020 was the final period in our most recent five-year medium-term business plan. We usually begin assembling the new plan in April, at the start of the new fiscal year. Because of the current great uncertainty in terms of demand and economies in general, however, we decided to start the new plan in April 2022, designating this fiscal year as a preparatory period.

The previous plan was an ambitious one, with both quantitative and qualitative goals. While we sought a scale expansion, we invested in personnel and worked to grow into a truly global organization. Our quantitative achievements during the five-year effort were increases in operating cash flow (up 50%), operating profit and ROE. We worked to integrate and apply the respective specialties and strengths of our foreign subsidiaries to benefit the entire Kito Group

while enhancing our governance, and I feel strongly that the organizational structure for that purpose is now functioning well.

At the same time, challenges remain. Due to large external factors, despite our effort to achieve an ambitious quantitative goal of 13B yen our EBITDA has unfortunately been decreasing for two years running following a peak in fiscal 2018 at 9.2B yen. Qualitatively, there is a lag in post-integration management of the European firms we recently acquired and new-product launches for business expansion. We will continue working to boost capital efficiency, which eroded with these scale-oriented acquisitions.

To resolve these issues and better prepare for the external changes we can foresee, we have begun groupwide discussion on the direction of Kito business and Kito's social purposes.

To determine direction for the next medium-term plan, I am focused on several initiatives. Qualitative improvement of management and enhancement of global strategies come first. As social expectations rise for sustainable corporate operations, we will redefine the ways in which Kito makes its operations essential for society into the future and contributes to society through its operations. As part of this, we will tighten links among foreign subsidiaries and build Kito up as an organization characterized by rich diversity.

The next initiative will raise the value of the Kito brand for our customers. In addition to differentiating our products, we will improve user support across the board, ranging from quote-making to after-sale services. We will maximize positive user experiences, specifically through better training programs, e-commerce for greater convenience, and the application of digital technology in products and services, and make innovations happen ahead of changes in the industry.

Focusing on these initiatives, I want to build operations that will help push the total market value of Kito above 100B yen.

For FY2020 results webcast.



## Fiscal 2021 Forecast

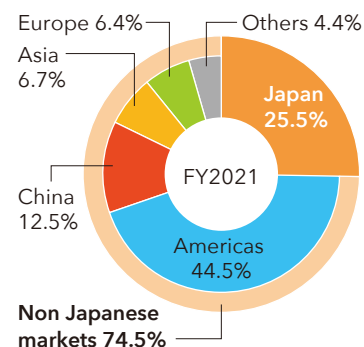
	JPY in billion		
	FY2021	FY2020	Year-on-year difference
Sales	55.0	51.80	+6.2%
Operating profit	5.0	4.45	+12.2%
Net profit	3.2	2.34	+36.5%

### Overview

- We are working toward business recovery to pre-pandemic levels by securely seizing the opportunities presented by recovering economic activity and increasing demand related to infrastructure expansion in various countries.
- We will continue investing in equipment for higher productivity and to build an environment-friendly supply chain.

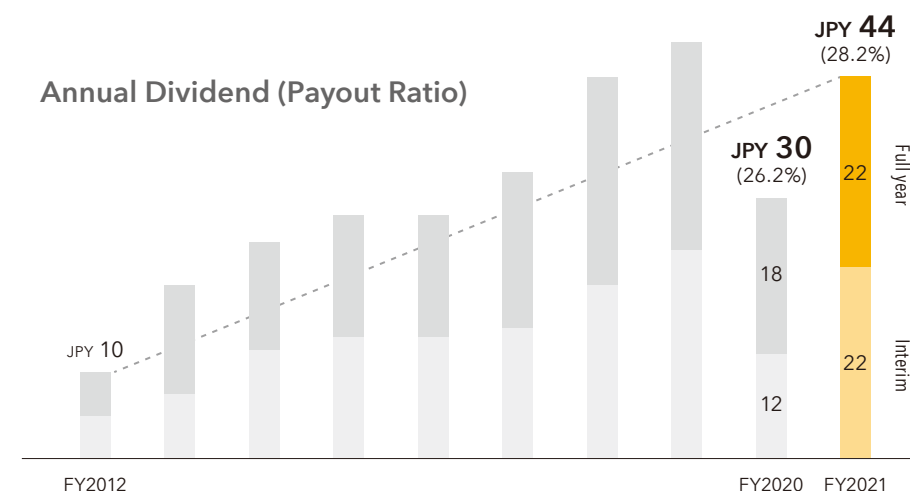
### Regional Sales

	JPY in billion		
	FY2021	FY2020	Year-on-year difference
Japan	14.0	13.01	+7.6%
Americas	24.5	23.40	+4.7%
China	6.9	6.59	+4.6%
Asia	3.7	3.54	+4.3%
Europe	3.5	3.32	+5.2%
Others	2.4	1.91	+25.5%



## | Dividend for FY2021 |

In our planning we have followed the growth trends since late last year, and project to pay 22 yen per share both at midterm and end-of-term.



## A flexible production system

Since fiscal 2019, our Year One for manufacturing reform, we have been working to raise productivity and strengthen our manufacturing foundations, such as technologies for production and environmental conservation, along with personnel training at the Yamanashi Main Plant, the origin of Kito manufacturing.



### New aluminum-processing line

Working together, robots and Kito Auto Crane automate the processes of parts-processing, saving labor. We are working to optimize and expedite the machining process with the latest equipment, jigs and tools.



### New heat-processing line

We have introduced a furnace capable of carburizing heat-treatment in vacuum. In addition to greater safety and quality, it reduces standby energy demand and conserves energy.

For Yamanashi Plant video. Only in Japanese.



## Product lines to suit the times

In the term we released two new products, the Kito Electric Chain Balancer and the Kito Porta Gantry Crane. The Kito Electric Chain Balancer excels in functionality and operability, and the Kito Porta Gantry is light, portable and can be set up in most any place. The two help increase work efficiency.



The Kito Electric Chain Balancer has two switchable operating modes to best fit the specific purpose. The operator can move the load using just hands, making it perfect for work that requires precise positioning.



The Kito Porta Gantry is made of aluminum, light and compact, needing only one person to set up. It's been the choice of many customers since it hit the market.

Development Team



# Widely used in a range of industries



### Chain hoists for the gangway

Kito electric chain hoists are set up on the exterior of the former Antarctic icebreaker Shirase to position the gangway and load cargo. The interior of the ship has been restored without changing the state of its last use, and guided tours are offered to the general public. Tours are currently suspended due to the pandemic, but we hope they will resume soon.

The public image of Kito products is generally associated with manufacturing plants and construction sites, but their uses are not limited to those arenas. Here they are at work on the Shirase, an Antarctic icebreaker-turned-museum, an apple-processing plant, and an engine-production plant in India.

### Chain hoists carry apples

In the processing plant of an apple orchard in the city of Hirosaki, Aomori, the prefecture with the top apple production in Japan, special Kito hoists for the food industry carry apples to the de-aeration device. The process prevents the apples from melting down and maintains their fresh flavor and texture. Food plants are required to maintain rigorous hygiene control as well as safety control of the equipment and machines they use. To keep foreign matter out, the hoist comes with a dustpan.



### First Order for the PRO Light Crane System in India



Kito India recently wrote its first order for the PRO light Crane System for a local joint venture related to a Japanese heavy-industrial-machine maker. It is used to transport the diesel engines produced there. The firm previously used a steel crane, and our emphasis on the lightness and easy operability of the aluminum crane led to the order. With the recent beginning of construction on several power stations in India, many Kito products are at work there.

## Kito Media

Kito actively uses its website and social media to disseminate information on its products and Group activities.

### Ask IR Officers!

Our answers to questions from investors and shareholders



Dec. 22.2020 13:04

**Q** | Looking at your results up to the second quarter, I am aware of your effort focused on generating profit. What are your specific methods for achieving this?

**A** | In the first quarter we turned an operating profit despite a 24% decrease in sales, resulting in an upward revision of result forecast for the first half of fiscal 2020. We attribute that profit mainly to across-the-board effort to enhance our control of costs and SGA expenses. In sales we succeeded in effectively communicating to customers the added value of Kito products and avoided being sucked into the price war in the market fluctuations caused by the pandemic. In production, our ERP system, introduced in 2017, made production processes more visible, encouraging our people on the production floors to be more cost-conscious, resulting in broad waste-reduction and higher productivity.

## S o c i a l

media

Read the featured articles for the second half of fiscal 2020!

Kito's  
official  
account



Customer safety is our top priority.



Equipped with permanent magnets, a single unit is enough for safe, reliable handling of both flat and round steel.

Feb. 02.2021 15:10

**Q** | What are the defining characteristics of Kito's social contribution?

**A** | Kito addresses the universal problem of gaining freedom from the constraints of gravity through highly durable products that support maximum safety on the job. They are used as human-assist machines in all industries for a broad variety of purposes, from manufacturing to building social infrastructure. Through clean, waste-free production and supply processes, Kito works to reduce its impact on the environment and contributes widely to society.



MOVIE

We pick up the latest featured videos.



A Kito Porta Gantry Crane (RAPIDE type) is assembled in just 90 seconds.



# Advantages of the 2.8d pitch

'Pitch' in chain parlance refers to the internal length of a chain link. Where the industry standard is 3d (length three times the wire diameter), Kito makes its links shorter at 2.8d, the optimal size for lever hoists and electric chain hoists. A shorter pitch allows for a smaller load sheave, which winds the chain, making a more compact hoist. A smaller hoist is easier for the operator to handle, making the work safer.

## | About the Cover Photo

### Former Antarctic observation vessel *Shirase*

*Shirase* was the third-generation Japanese Antarctic observation vessel. During its service, the ship made 25 roundtrips between Japan and the Antarctic continent. The ship has been permanently docked at the Port of Funabashi, its name now painted in Roman characters on the hull in addition to the original Japanese hiragana.



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Corporate Communication Department

Kito IR

Q Search

<https://kito.com/ir>

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