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(1) Changes in significant subsidiaries during the period (change in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Aug. 20, 2020:	10,011,841 shares	As of Nov. 20, 2019:	10,011,841 shares
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2) Number of treasury shares at the end of the period

As of Aug. 20, 2020:	733,615 shares	As of Nov. 20, 2019:	733,518 shares
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3) Average number of shares outstanding during the period

Nine months ended Aug. 20, 2020:	9,278,271 shares	Nine months ended Aug. 20, 2019:	9,278,450 shares
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*The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

*Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Kitakei's management at the time the materials were prepared, but are not promises by Kitakei regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 2 for forecast assumptions and notes of caution for usage.

(How to view supplementary materials for quarterly financial results)

Supplementary materials for the quarterly financial results will be disclosed today (October 2, 2020), using the Timely Disclosure network (TDnet).

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first nine months (from November 21, 2019 to August 20, 2020) of the fiscal year, the Japanese economy was negatively affected by U.S.-China trade friction and slowing global economic growth. Consumer spending and economic activity overall have been consistently sluggish because of the October 2019 consumption tax hike and COVID-19 pandemic. Even after the lifting of Japan's state of emergency, the recovery remained weak as consumers and companies continue to limit their activities. As a result, the business climate is still challenging.

In Japan's housing sector, mortgage interest rates are remaining low and the government continues to enact measures to help people purchase residences of all types. However, the number of construction starts for new residences decreased in part because the COVID-19 pandemic is making the outlook for the labor market and personal income increasingly uncertain.

The Kitakei Group established more relationships with prominent regional dealers and builders, housing manufacturers, home improvement retailers and other companies. Another priority is increasing sales of housing fixtures like kitchen equipment and modular bathrooms and of original products in order to target demand associated with new houses and home renovations. We also worked on entering new markets such as sectors outside the housing industry, using efficient systems for business processes and other actions for improving our performance.

Sales in the first nine months of the fiscal year were 40,056 million yen compared with 42,046 million yen one year earlier. Operating profit decreased from 608 million yen to 386 million yen and ordinary profit decreased from 692 million yen to 479 million yen. Profit attributable to owners of parent was down from 437 million yen to 365 million yen, which includes extraordinary income for compensation received in the first quarter for the expropriation of land.

(2) Explanation of Financial Position

Assets

Total assets decreased 1,257 million yen from the end of the previous fiscal year to 24,458 million yen as of the end of the third quarter. The main factor was a decrease of 1,150 million yen in notes and accounts receivable-trade.

Liabilities

Total liabilities decreased 1,346 million yen from the end of the previous fiscal year to 12,655 million yen as of the end of the third quarter. The main factor was a decrease of 986 million yen in notes and accounts payable-trade.

Net assets

Total net assets increased 88 million yen from the end of the previous fiscal year to 11,802 million yen as of the end of the third quarter. The main factor was an increase of 161 million yen in retained earnings, while there was a decrease of 79 million yen in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Determining an outlook for the Japanese economy is still difficult because it is impossible to predict the eventual magnitude of the COVID-19 pandemic and when this crisis will be contained. Consequently, there is still no forecast for consolidated results of operations and the dividend for the fiscal year ending in November 2020 because it is extremely difficult at this time to determine an appropriate and reliable forecast.

An announcement will be made promptly when it becomes possible to determine a reliable forecast.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY11/19 (As of Nov. 20, 2019)	Third quarter of FY11/20 (As of Aug. 20, 2020)
Assets		
Current assets		
Cash and deposits	9,847,017	10,104,740
Notes and accounts receivable-trade	8,932,103	7,781,730
Securities	100,000	-
Merchandise	563,075	694,013
Costs on construction contracts in progress	887,635	699,367
Other	1,351,686	1,168,736
Allowance for doubtful accounts	(18,592)	(19,506)
Total current assets	21,662,925	20,429,081
Non-current assets		
Property, plant and equipment	1,663,694	1,751,959
Intangible assets	61,935	65,337
Investments and other assets		
Other	2,369,282	2,274,394
Allowance for doubtful accounts	(42,054)	(62,535)
Total investments and other assets	2,327,228	2,211,859
Total non-current assets	4,052,858	4,029,156
Total assets	25,715,783	24,458,238
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,501,835	7,515,201
Electronically recorded obligations-operating	2,924,393	3,058,256
Income taxes payable	231,914	47,870
Provision for bonuses	-	162,704
Provision for bonuses for directors (and other officers)	18,500	-
Other	1,012,714	581,231
Total current liabilities	12,689,358	11,365,264
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	239,110	252,040
Retirement benefit liability	172,150	151,212
Asset retirement obligations	16,632	16,707
Other	884,494	870,473
Total non-current liabilities	1,312,387	1,290,432
Total liabilities	14,001,745	12,655,696

	(Thousands of yen)	
	FY11/19 (As of Nov. 20, 2019)	Third quarter of FY11/20 (As of Aug. 20, 2020)
Net assets		
Shareholders' equity		
Share capital	2,220,082	2,220,082
Capital surplus	2,851,427	2,851,427
Retained earnings	6,534,789	6,696,628
Treasury shares	(206,103)	(206,196)
Total shareholders' equity	11,400,195	11,561,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	374,914	295,817
Remeasurements of defined benefit plans	(61,072)	(55,217)
Total accumulated other comprehensive income	313,842	240,599
Total net assets	11,714,038	11,802,541
Total liabilities and net assets	25,715,783	24,458,238

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****For the Nine-month Period**

(Thousands of yen)

	First nine months of FY11/19 (Nov. 21, 2018 – Aug. 20, 2019)	First nine months of FY11/20 (Nov. 21, 2019 – Aug. 20, 2020)
Net sales	42,046,367	40,056,042
Cost of sales	37,897,120	36,046,968
Gross profit	4,149,246	4,009,073
Selling, general and administrative expenses	3,541,158	3,622,820
Operating profit	608,087	386,252
Non-operating income		
Interest income	2,118	2,014
Dividend income	14,254	15,137
Purchase discounts	95,207	93,714
Rental income	21,470	21,276
Other	13,768	17,045
Total non-operating income	146,821	149,188
Non-operating expenses		
Sales discounts	55,553	49,958
Rental cost on real estate	6,008	5,414
Other	627	578
Total non-operating expenses	62,189	55,951
Ordinary profit	692,719	479,490
Extraordinary income		
Compensation for expropriation	-	116,494
Total extraordinary income	-	116,494
Extraordinary losses		
Loss on sales of investment securities	-	2,683
Total extraordinary losses	-	2,683
Profit before income taxes	692,719	593,301
Income taxes-current	220,154	200,954
Income taxes-deferred	35,402	26,384
Total income taxes	255,557	227,339
Profit	437,161	365,962
Profit attributable to owners of parent	437,161	365,962

Quarterly Consolidated Statement of Comprehensive Income**For the Nine-month Period**

(Thousands of yen)

	First nine months of FY11/19 (Nov. 21, 2018 – Aug. 20, 2019)	First nine months of FY11/20 (Nov. 21, 2019 – Aug. 20, 2020)
Profit	437,161	365,962
Other comprehensive income		
Valuation difference on available-for-sale securities	(48,335)	(79,097)
Remeasurements of defined benefit plans, net of tax	4,530	5,854
Total other comprehensive income	(43,805)	(73,242)
Comprehensive income	393,356	292,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	393,356	292,719
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Additional Information

Kitakei has determined accounting estimates for the impairment of non-current assets, the recoverability of deferred tax assets and other items by using the assumption that the COVID-19 pandemic will decline as the end of the fiscal year ending November 20, 2021 approaches and that economic activity in Japan will slowly return to normal, resulting in a return to pre-crisis market conditions.

There are many uncertainties regarding this assumption and Kitakei may report a loss in the future if the length of the COVID-19 pandemic and its negative effects is longer than expected.

Segment and Other Information

Business segment information is omitted because the Kitakei Group has only a single business segment and therefore there is no segment subject to disclosure requirements. Group companies are engaged in the sale (including sales with installation) of materials and equipment used for homebuilding, such as new building materials and a variety of housing fixtures, and in activities associated with these sales. These products are sold to stores that sell wood products and building materials, construction companies, homebuilding companies and other buyers.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

Supplementary Materials for the Financial Results
for the Third Quarter of the
Fiscal Year Ending November 20, 2020

October 2, 2020



Stock code: 9872

1. Summary of 1Q-3Q FY11/20 Consolidated Financial Results



(Millions of yen)

	1Q-3Q FY11/19		1Q-3Q FY11/20		
	Results	%	Results	%	YoY
Net sales	42,046	100.0%	40,056	100.0%	95.3%
Operating profit	608	1.4%	386	1.0%	63.5%
Ordinary profit	692	1.6%	479	1.2%	69.2%
Profit attributable to owners of parent	437	1.0%	365	0.9%	83.7%
Net income per share (yen)	47.12		39.44		

2. Product Category Sales in 1Q-3Q FY11/20



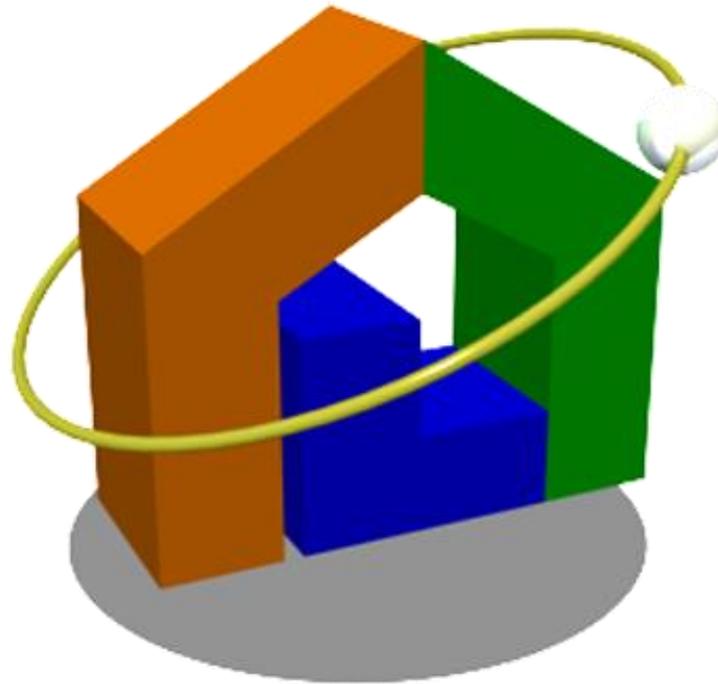
(Millions of yen)

		1Q-3Q FY11/19		1Q-3Q FY11/20		
		Results	%	Results	%	YoY
Products	Wood building materials	5,274	12.5%	5,123	12.8%	97.1%
	Non-wood building materials	2,825	6.7%	3,432	8.6%	121.5%
	Plywood	1,799	4.3%	1,464	3.7%	81.4%
	Wood products	1,842	4.4%	2,069	5.2%	112.3%
	Housing fixtures	9,907	23.6%	9,384	23.4%	94.7%
	Sales with installation	1,382	3.3%	768	1.9%	55.6%
	Others	3,346	7.9%	3,372	8.3%	100.8%
	Subtotal	26,377	62.7%	25,615	63.9%	97.1%
Construction	Completed construction contracts	15,668	37.3%	14,440	36.1%	92.2%
	Subtotal	15,668	37.3%	14,440	36.1%	92.2%
Total		42,046	100.0%	40,056	100.0%	95.3%
Original products		1,577	3.8%	1,559	3.9%	98.8%

* Sales with installation: A company affiliated with the manufacturer of the associated materials performs the installation and assumes all responsibility.

* Completed construction contracts: A subcontractor selected and supervised by the Kitakei Group performs the installation or construction.

* Original product sales are included mainly in wood building materials, wood products, housing fixtures, and others.



Forecasts of future performance in this material are based on assumption judged to be valid and information available to the Kitakei's management at the time the materials were prepared, but are not promises by Kitakei regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Investors are cautioned not to rely solely on earnings forecasts when making investment decisions.

This material is not prepared for the purpose of soliciting investments. Individuals who use the information in this presentation should reach investment decisions on their own.