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To Shareholders with Voting Rights

Securities Code 6409
June 7, 2022

Yoshio Kito
President & CEO

KITO CORPORATION

2000, Tsuijiarai, Showa-cho,
Nakakoma-gun, Yamanashi, Japan

Notice of the 78th Ordinary General Meeting of Shareholders

Dear Shareholders:

We are pleased to notify you of the 78th Ordinary General Meeting of Shareholders of KITO CORPORATION (the “Company” or “KITO”), which is to be held according to the following schedule.

Appropriate measures will be taken at the Meeting to prevent the spread of COVID-19, as there are still concerns regarding its spread. From the perspective of preventing the spread of infection, we request all shareholders to consider not attending the Meeting in person. You may exercise your voting rights in advance in writing or via the Internet, etc. Please review the attached Reference Materials for the General Meeting of Shareholders and exercise your rights no later than 5:30 pm on Thursday, June 23, 2022 (JST), following “Guide to Exercise of Voting Rights” (page 3).

Schedule

1. Date and Time:	At 10:00 am on Friday, June 24, 2022 (JST) (Reception starts at 9:00 am)								
2. Venue:	Tower Hall, 49th floor of Roppongi Hills Mori Tower 6-10-1 Roppongi, Minato-ku, Tokyo								
3. Agenda of the Meeting									
■ Matters to be Reported:	<ol style="list-style-type: none">1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and Board of Corporate Auditors for the 78th Term (from April 1, 2021 to March 31, 2022).2. The Non-consolidated Financial Statements for the 78th Term (from April 1, 2021 to March 31, 2022)								
■ Matters to be Resolved:	<table><tr><td>Proposal No. 1</td><td>Distribution of Surplus</td></tr><tr><td>Proposal No. 2</td><td>Partial Amendments to the Articles of Incorporation</td></tr><tr><td>Proposal No. 3</td><td>Election of Seven (7) Directors</td></tr><tr><td>Proposal No. 4</td><td>Election of One (1) Substitute Corporate Auditor</td></tr></table>	Proposal No. 1	Distribution of Surplus	Proposal No. 2	Partial Amendments to the Articles of Incorporation	Proposal No. 3	Election of Seven (7) Directors	Proposal No. 4	Election of One (1) Substitute Corporate Auditor
Proposal No. 1	Distribution of Surplus								
Proposal No. 2	Partial Amendments to the Articles of Incorporation								
Proposal No. 3	Election of Seven (7) Directors								
Proposal No. 4	Election of One (1) Substitute Corporate Auditor								

Internet Disclosure

Any amendment to the Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements shall be published on the Company's website.

The Company's website

<https://kito.com/jp/>
<https://kito.com/>

Measures for preventing the spread of infection at the General Meeting of Shareholders

- ◎ Alcohol-based hand sanitizers will be provided for shareholders at the General Meeting of Shareholders venue. Those attending the Meeting are asked to bring and wear face masks. In addition, please note that we will be scanning temperatures near the venue entrance. Your understanding and cooperation are appreciated.
- ◎ Some of the Company officers may participate in the General Meeting of Shareholders online.
- ◎ The staff operating the General Meeting of Shareholders will be wearing face masks, in addition to checking physical conditions including taking temperatures.
- ◎ Depending on the status of the spread of COVID-19, it may be necessary to change the venue or starting time. In this event, we will post details to the Company's website on the Internet (see above). Shareholders planning to attend the Meeting are asked to check the Company's website in advance.
- ◎ Gifts will not be given out to shareholders. The get-together with shareholders will not be held following the General Meeting of Shareholders.

Live streaming via the Internet

The General Meeting of Shareholders will be streamed live from our website. ("Information on Live Streaming via the Internet" pages 4 to 5). Although due care will be taken with respect to the portrait rights and privacy of shareholders in attendance when streaming the meeting from the back of the venue, please note that shareholders attending the meeting may be visible in the stream under unavoidable circumstances.

Guide to Exercise of Voting Rights

Please review the Reference Materials for the General Meeting of Shareholders (page 6-26) and exercise your voting rights.

You can exercise your voting rights by any of the following three methods.

A If you exercise your rights via the Internet

How to scan QR code

1. Please scan login QR code printed on the enclosed Voting Rights Exercise Form.
2. Please follow the instruction on the screen and enter your approval or disapproval of proposals.



How to access using your PC

1. Please access Electronic Voting Platform.
(<https://www.web54.net>)
2. Please enter your login ID and temporary password printed on your Voting Rights Exercise Form.
3. Please follow the instruction on the screen to change your temporary password, and then enter your approval or disapproval of proposals.

Deadline 5:30 pm on Thursday,
June 23, 2022 (JST)

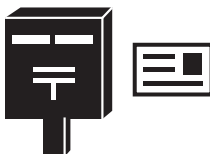
Please note:
If you have exercised your voting rights more than once, such as both in writing and via the Internet, etc., the exercise of the voting rights via the Internet, etc., shall be treated as effective.

B If you exercise voting rights by post

Please indicate your approval or disapproval of proposals in the Voting Rights Exercise Form and mail it without stamp.

* Voting Rights Exercise Forms not indicating approval or disapproval will be treated as indicating approval.

Deadline 5:30 pm on Thursday,
June 23, 2022 (JST)



C If you attend the General Meeting in person

Please submit the Voting Rights Exercise Form at the reception.

(You do not need to bring your seal with you.)



For inquiry about how to use your
smartphone for Smart Exercise

Stock Transfer Agency Web Support Help Line, Sumitomo Mitsui Trust Bank, Limited

Toll free: **0120-652-031** Open from 9 a.m. to 9 p.m.

For other inquiries

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Toll free: **0120-782-031** Open from 9 a.m. to 5 p.m.
Excluding weekends and holidays

Information on Live Streaming via the Internet

The General Meeting of Shareholders will be broadcast live from a remote location. The proceedings of the meeting can be viewed using a PC, smart phone or other device in real time, without having to come to the meeting venue.

[Information for shareholders attending the General Meeting of Shareholders in person]

As indicated below, the General Meeting of Shareholders will be streamed live. Although due care will be taken with respect to the portrait rights and privacy of shareholders in attendance when streaming the meeting from the back of the venue, please note that shareholders attending the meeting may be visible in the stream under unavoidable circumstances.

1. Streaming date and time
Friday, June 24, 2022, from 10:00 a.m. until the Meeting ends
* The live streaming website will be accessible from 9:30 a.m., 30 minutes before the meeting begins.
2. How to view the streamed Meeting
 - (1) Access the following website from your computer, smartphone, or other device.

Streaming website URL	https://work.htmlvideo.jp/irlive/20220624K/kito/
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- (2) After accessing the streaming website, follow the instructions shown onscreen and enter the following ID.

ID	
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<How to log in>



Enter “ ” as the ID, then click “View live stream screen.”

3. Important notes regarding viewing the streamed Meeting

- (1) The live stream of the Meeting is not considered the site of the General Meeting of Shareholders under the Companies Act. Thus, shareholders viewing the live stream will not be able to make any comments or ask any questions. Please exercise your voting rights in advance in writing or via the Internet, as indicated on page 3.
- (2) Shareholders will be responsible for bearing all expenses involved in accessing our website and viewing the streamed Meeting (internet connection charges, transmission fees, etc.).
- (3) While every effort will be made to ensure that the Meeting is streamed smoothly, please note that there may be video or audio issues or delays as well as interruptions, in the event of system failures, communications problems, issues that negatively affect the communication environment, or other factors. Streaming of the Meeting may also become impossible. If we decide to cancel the streaming of the Meeting due to unavoidable circumstances, we will provide notice on our website (<https://kito.com/jp>).
- (4) Some shareholders may be unable to view the streamed Meeting depending on their devices and network environments. Please perform a stream viewing test as described below. Please note that we do not guarantee that shareholders will be able to view the streamed Meeting in every environment.
- (5) Please note that the Company will not bear any responsibility for any adverse effects that occur to shareholders as the result of being unable to view the streamed Meeting, in whole or in part.
- (6) The filming, video recording, audio recording, saving, and public releasing of the streamed Meeting such as posting to social media, are strictly prohibited.

4. How to perform a stream viewing test

The following stream viewing environment test website is available for shareholders until 9:30 am, Friday, June 24, 2022, to test their stream viewing environment by entering the ID as provided in “2. How to view the streamed Meeting.”

Stream viewing environment
test website URL

<https://work.htmlvideo.jp/irlive/20220624K/testkito/>

5. Inquiries regarding streaming

Please direct technical inquiries regarding network environments, etc., to the inquiry point below.

IR Partners. Inc. KITO General Meeting of Shareholders Streaming Manager	03-3221-1347
Reception hours	Monday to Friday 9:30 a.m. to 5:00 p.m.

(Note) On the date of the General Meeting of Shareholders, reception hours will end at the end of the Meeting.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No.1: Distribution of Surplus

The Company believes it is important to secure sufficient retained earnings to reinforce the management basis and prepare for future business development, in addition to appropriately returning profits to shareholders commensurate with the Company's performance.

Under this policy, the Company is striving to increase the dividend payment, targeting a consolidated payout ratio of 20% or higher, subject to the overall consideration of its consolidated results and financial position. In comprehensive consideration of the Company's consolidated results and financial position for the year ended March 31, 2022, the Company hereby proposes its year-end dividend amount as follows.

1. Form of dividend property

Cash

2. Matters concerning allotment of dividend property and total amount

22 yen per share of the Company's common stock

Total dividend: 452,716,418 yen

3. Effective date of the distribution of surplus

June 27, 2022

Proposal No.2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

- (1) The Company proposes to make additions to Article 2 (Purpose) of the current Articles of Incorporation to catch up with the expansion and diversification of its business domains, and to renumber articles concerned accordingly.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.
 - (i) The proposed Article 17, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
 - (ii) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - (iii) The provisions related to the Disclosure via the Internet of Reference Materials, etc. for the Shareholders Meeting and the Deemed Provision (Article 17 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

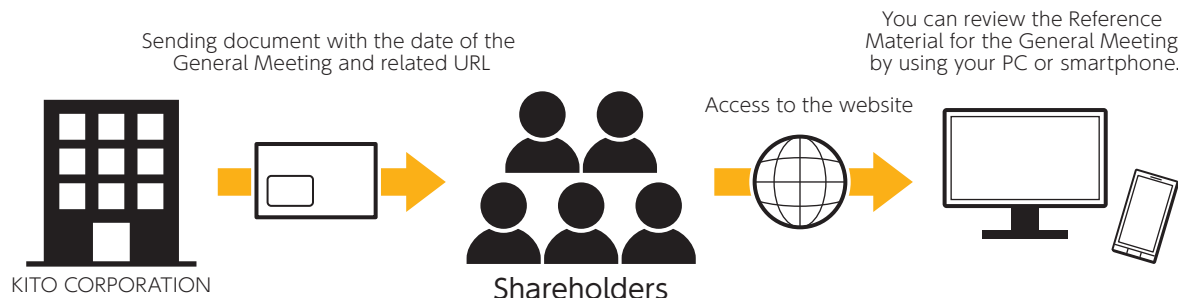
The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Purpose) Article 2 The Company is organized for the purpose of engaging in the following business activities: (i) Designing, manufacturing, construction, sales and repair services of material handling machine and equipment and of buildings and facilities ancillary thereto; (ii) Designing, manufacturing, construction, sales and repair services of machine and equipment which are used for the storage of goods, housing of goods and moving goods in and out of warehouses, and of buildings and facilities ancillary thereto; <u>and</u> <Newly established> (iii) (Text omitted)	(Purpose) Article 2 The Company is organized for the purpose of engaging in the following business activities: (i) Designing, manufacturing, construction, sales and repair services of material handling machine and equipment and of buildings and facilities ancillary thereto; (ii) Designing, manufacturing, construction, sales and repair services of machine and equipment which are used for the storage of goods, housing of goods and moving goods in and out of warehouses, and of buildings and facilities ancillary thereto; <u>(iii) Designing, development, manufacturing, sales and repair services of safety equipment, safety belts, personal fall-arrest systems, and other related equipment ancillary thereto; and</u> (iv) (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>(Disclosure via the Internet of Reference Materials, etc. for the Shareholders Meeting and the Deemed Provision) Article 17 When convening the shareholders meeting, the Company may deem that it has provided shareholders with necessary information that should be stated or presented in reference materials for the shareholders meeting, business reports, financial statements or consolidated financial statements, when it has made a disclosure via the internet pursuant to the provisions of the Ordinance of the Ministry of Justice.</p> <p><Newly established></p>	<p><Deleted></p> <p>(Measures for Electronic Provision, etc.) Article 17 When convening the shareholders meeting, the Company may provide information contained in the reference materials for the shareholders meeting, etc. electronically. (2) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</p>
Article 18 - Article 43 (Text omitted)	Article 18 - Article 43 (Unchanged)
<p><Newly established></p>	<p>(Supplementary Provisions) 1. Amendment to Article 17 of the Articles of Incorporation shall take effect on September 1, 2022 (hereinafter the "Effective Date"), which is the date of enforcement of the amended provisions as stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019). 2. Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall remain in force with respect to a shareholders meeting to be held on a date within six (6) months from the Effective Date. 3. These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the shareholders meeting set forth in the preceding paragraph, whichever is later.</p>


Illustrated procedure of the system for providing general shareholder meeting materials in electronic format



Proposal No.3: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven (7) Directors is proposed.

The candidates for Director are as follows:

Candidate Number		Name	Term of office Gender	Significant concurrent positions	Affiliation	Attendance at board meetings
1		Yoshio Kito (Age: 59)	30 years Male	2	Inside	100% (12 out of 12 meetings)
2		Edward W. Hunter (Age: 56)	6 years Male	3	Inside	100% (12 out of 12 meetings)
3		Shigeki Osozawa (Age: 59)	8 years Male	1	Inside	100% (12 out of 12 meetings)
4		New candidate Toshio Kono (Age: 59)	— Male	4	Inside	—
5		Katsumi Nakamura (Age: 68)	6 years Male	1	Outside Independent director	100% (12 out of 12 meetings)
6		Takashi Hirai (Age: 57)	5 years Male	3	Outside Independent director	100% (12 out of 12 meetings)
7		Koji Osawa (Age: 60)	3 year Male	2	Outside Independent director	100% (12 out of 12 meetings)

No.
1

Yoshio Kito

June 4, 1963 (Age: 59) Term of office 30 years

Male

Re-election

Inside



Personal history, positions and responsibilities in the Company

November 1988	Joined the Company
June 1992	Director
June 1998	Managing Director
April 1999	Senior Managing Director
July 2000	Senior Managing Director, Senior Managing Executive Officer
April 2005	Vice President & Representative Director, Vice President Executive Officer
January 2006	President & Representative Director, President Executive Officer, Chief Executive Officer
November 2011	President & CEO, President Executive Officer and General Manager of Domestic Sales Division
April 2016	President & CEO, President Executive Officer, Chief Product Officer
April 2022	President & CEO, President Executive Officer (to present)

Significant concurrent positions

KITO Americas, Inc. / Director
JIANGYIN KITO CRANE CO., LTD. / Chairman

Number of shares of the Company held

182,734 shares

Attendance at board meetings

12 out of 12 meetings

Reasons for the election:

Mr. Yoshio Kito, since becoming President & CEO of the Company in January 2006, has displayed leadership centering on aiming to increase corporate value and realize the corporate mission. He has achieved results including overseas business expansion, new product development, and execution of M&As, and is fulfilling his duties as CEO. He is nominated as a candidate for Director as his experience and track record of leading the Group's management, as well as his extensive insight regarding its businesses, are deemed essential for strengthening the management of the Group and for its sustainable growth.

Message to our shareholders:

We believe that KITO coupled with its products and services must remain necessary for and essential to all industries. To achieve this goal, we will remain committed to enhancing our corporate value, through continuously offering universal value in the form of "establishing a safe and highly productive working environment." We will accelerate management cycle and decision-making, while keeping up dynamic reformation by staying alert to changes in environment. With the aim to become the global leader in lifting business, we will solidify our business foundation while developing new business fields with a view to further growth.

No.
2

Edward W. Hunter

July 3, 1965 (Age: 56) Term of office 6 years

Male

Re-election

Inside



Personal history, positions and responsibilities in the Company

May 2004	Joined Harrington Hoists, Inc. / President & Director
April 2008	Joined the Company / Executive Officer, KITO Americas, Inc. / President & Director and Harrington Hoists, Inc. / President & Director
April 2011	Senior Executive Officer, Head of Americas Business Operation, General Manager of Business Division - Americas, KITO Americas, Inc. / President & Director and Harrington Hoists, Inc. / President & Director
April 2013	Senior Executive Officer, Head of Americas & EMEA Business Operation, General Manager of Business Division - Americas & EMEA, KITO Americas, Inc. / President & Director and Harrington Hoists, Inc. / President & Director
April 2016	Executive Vice President, Co-Chief Market Officer
June 2016	Executive Vice President, Executive Vice President Officer and Co-Chief Market Officer
April 2022	Executive Vice President, Executive Vice President Officer and Chief Operating Officer (to present)

Significant concurrent positions

KITO Americas, Inc. / Chairman
ERIKKILA OY / Director
Kiinteistö Oy Alamos / Director

Number of shares of the Company held

61,156 shares

Attendance at board meetings

12 out of 12 meetings

Reasons for the election:

Since joining the group company of the Company in May 2004, Mr. Edward W. Hunter has promoted business expansion of the Americas Business focused on the United States and contributed to improvements of corporate value of the Company.

He is nominated as a candidate for Director as his abilities continue to be deemed necessary to achieve further growth of the Company as a global entity by strengthening business in the Americas, which is expected to continue to see growth, and actively conducting business and promoting product strategies in major global markets such as Europe.

Message to our shareholders:

For KITO and our stakeholders around the world, 2021 was an exceptional year. The ongoing global health crisis continued, but thankfully began to recede toward the end of the year due to the wide availability of vaccines and other public health initiatives. The long pandemic caused difficulties for all global businesses beyond the human toll on public health. Supply chains have been disrupted, inflation in the Americas and Europe is growing at rates not seen in a generation, and monetary policy associated with Covid relief efforts will have continuing unforeseen side effects. In addition, we also experienced the first war in Europe since the 1990s, further disrupting supply chains, especially for raw materials, energy, and food. Despite all these challenges, KITO and our associated brands thrived. The KITO teams working on behalf of our customers and ultimately our shareholders found a way to deliver record shipments even though lead times around the world grew longer and longer. KITO's customers continued to value both our high quality of products and our commitment to exceptional service. This value helped KITO to maintain and increase market share in our core markets especially in the Americas and Japan, and grow in our newer markets in EMEA and APAC. We believe our focus on becoming the customers' first choice through industry leading performance not only served us well in 2021, but will continue to earn the customers' trust in our next midterm plan. As a shareholder I am very encouraged by our market position today, and I am optimistic about KITO's ability to thrive in an uncertain time. Please accept my gratitude for your ongoing support.



Number of shares of the Company held

50,454 shares

Attendance at board meetings

12 out of 12 meetings

Personal history, positions and responsibilities in the Company

April 1985	Joined the Company
July 2008	Senior Manager of Corporate Planning Department
April 2011	Executive Officer, General Manager of Corporate Planning Office
April 2012	Executive Officer, General Manager of Corporate Planning Office and General Manager of Corporate Management Division
June 2012	Director, Executive Officer, General Manager of Corporate Planning Office and General Manager of Corporate Management Division
April 2016	Director, Executive Officer, General Manager of Corporate Management Division and Senior Manager of Legal Affairs Office
June 2016	Retired from the position of Director Executive Officer, General Manager of Corporate Management Division and Senior Manager of Legal Affairs Office
April 2017	Senior Executive Officer, Chief Financial Officer, General Manager of Financial Management Division and Business Strategy Division
October 2017	Senior Executive Officer, Chief Financial Officer and General Manager of Financial Management Division
June 2018	Managing Director, Senior Executive Officer, Chief Financial Officer and General Manager of Financial Management Division
July 2018	Managing Director, Senior Executive Officer, Chief Financial Officer, General Manager of Corporate Management Division and General Manager of Financial Management Division (to present)

Significant concurrent positions

JIANGYIN KITO CRANE CO., LTD. / Director

Reasons for the election:

Since becoming Managing Director of the Company in June 2018, Mr. Shigeki Osozawa has achieved results in the areas of corporate planning, business strategy, and finance, etc., and has contributed to increasing the Company's business performance.

He is nominated as a candidate for Director as his abilities and experience are deemed necessary for the development of the Group based on a healthy governance system with this support from a financial and corporate management perspective for global development and sustainable corporate value improvement.

Message to our shareholders:

Amid the geopolitical crisis in Ukraine triggered by the Russian invasion, giving rise to the division of the world and associated uncertainty in terms of global security and economy, we at KITO are determined to carry through this difficult situation, by proving the value of our presence through contributing to society.

KITO seeks to become the company most trusted by customers, by delivering satisfaction and inspiration to users in our business providing solutions that offer freedom from the constraints of gravity, with a view to achieving long-term profit in a socially responsible manner as well as constant solid growth.

No.
4

Toshio Kono

December 20, 1962 (Age: 59) Term of office –

Male

New candidate

Inside



Personal history, positions and responsibilities in the Company

February 1990	Joined the Company
April 2010	Executive Officer, General Manager of Sales Division
April 2011	Executive Officer, General Manager of Domestic Sales Division and General Manager of Global Solutions Division
November 2011	Executive Officer, General Manager of Yamanashi Manufacturing Division
April 2013	Executive Officer, General Manager of Manufacturing Division
August 2013	Executive Officer, General Manager of Manufacturing Division, Project Manager of KITO GLOBAL ONE Project
April 2016	Senior Executive Officer, Chief Manufacturing Officer, General Manager of Procurement Division, Project Manager of KITO GLOBAL ONE Project
April 2017	Executive Officer, Project Manager of KITO GLOBAL ONE Project
April 2018	Executive Officer, General Manager of Procurement Division
April 2021	Executive Officer, General Manager of Chain Manufacturing Division
April 2022	Senior Executive Officer, Chief Manufacturing Officer, General Manager of Chain Manufacturing Division, Head of Below Hook Devices (to present)

Number of shares of the Company held

44,573 shares

Attendance at board meetings

– out of – meetings

Reasons for the election:

Since becoming Executive Officer of the Company in 2010, Mr. Toshio Kono has been dedicated to the management of the Company in the areas including sales, manufacturing, and procurement.

He is nominated as a candidate for Director as his ability and experience are deemed necessary for the Company to maintain the high level of quality of its products while promoting global production strategies.

Significant concurrent positions

KITO CHAIN ITALIA S.R.L. / Director
PEERLESS INDUSTRIAL GROUP, INC. / Director
PEERLESS CHAIN COMPANY / Director
KITO HOIST THAI CO., LTD. / Director

Message to our shareholders:

In my 32 years of career at KITO, I have had working experience in factories, sales operations both in Japan and overseas and expatriate posting in China. Following my appointment as Executive Officer in 2010, I have been engaged in the management of the Company in various positions such as General Manager of Domestic Sales Division, Hoist Manufacturing Division, Chain Manufacturing Division and Procurement Division, while serving for five years from 2013 as head of core system renewal project in Japan as well as at three business bases in the U.S. I was given really a variety of opportunities to contribute to the management of the Company. By capitalizing on these experiences, I will be dedicated to the sound growth of the Group's business from multiple perspectives as a newly appointed Director.

No.
5

Katsumi Nakamura

June 23, 1953 (Age: 68) Term of office 6 years

Male

Re-election

Outside

Independent director



Personal history, positions and responsibilities in the Company

April 1978	Joined Nissan Motor Co., Ltd.
January 2000	Director of Program Management office
April 2001	Senior Executive Officer
July 2003	President of Dongfeng Motor Company Limited
May 2008	EVP of Renault S.A.S.
June 2009	EVP of Renault S.A.S. and Director of Nissan Motor Co., Ltd.
June 2013	Chairman & Director of Calsonic Kansei Corporation (currently Marelli Corporation)
June 2015	Outside Director of Inabata & Co., Ltd.
June 2016	Chairman of Calsonic Kansei Corporation (currently Marelli Corporation), Outside Director and Member of the Audit and Supervisory Committee of Kansai Airports (to present) and Director of the Company (to present)
January 2019	Senior Advisor of The Black Stone Group L.P.

Significant concurrent positions

Kansai Airports / Outside Director, Member of the Audit and Supervisory Committee

Number of shares of the Company held

1,000 shares

Attendance at board meetings

12 out of 12 meetings

Reasons for the election and overview of expected roles:

Mr. Katsumi Nakamura has many years of experience as an executive and technician in the automobile industry, which is one of Japan's core industries.

The Company expects him to continue to leverage his abundant business management knowledge and manufacturing experience in order to provide the Company with appropriate advice and recommendations from a global management perspective, and to oversee management from an independent and objective perspective. For these reasons, he is again nominated as a candidate for Outside Director.

Message to our shareholders:

I have been involved in the automobile industry through my positions in Nissan Motor and France-based Renault. I hope that I can use the knowledge accumulated by having been involved in business management, to support KITO's future global growth and transformation. I feel that KITO's manufacturing strengths and its people have great potential. For KITO to grow globally, it will need to increase its manufacturing competitiveness, organize and prioritize the challenges it must face in order to grow, and move steadily forward in tackling these challenges. I am confident that KITO has talents capable enough to work out and implement versatile strategies to meet these challenges. I am looking forward to supporting KITO in its efforts to take on these challenges.

No.
6

Takashi Hirai

February 24, 1965 (Age: 57) Term of office 5 years

Male

Re-election

Outside

Independent director



Personal history, positions and responsibilities in the Company

April 1989	Joined Bain & Company Japan, Inc. / Senior Consultant
July 1997	Dell Japan Inc. / Director of Relationship Marketing
March 2000	Crayfish Co., Ltd. (currently e-machitown Co., Ltd.) / Director & Chief Marketing Officer
April 2001	Starbucks Coffee Japan, Ltd. / Head of Corporate Planning Division / Officer
September 2003	Executive Officer, Senior Partner of Roland Berger Ltd.
September 2014	Visiting Professor of Graduate School of Business Administration, Keio University
April 2015	Visiting Professor of Graduate School of Business and Finance, Waseda University (to present)
March 2017	Professor of Graduate School of Business Sciences, MBA Program in International Business, University of Tsukuba (to present)
June 2017	Director of the Company (to present)
June 2019	Outside Director of MITSUI-SOKO HOLDINGS Co., Ltd. (to present)

Number of shares of the Company held

9,500 shares

Attendance at board meetings

12 out of 12 meetings

Significant concurrent positions

University of Tsukuba / Professor of Graduate School of Business Sciences, MBA Program in International Business
Waseda University / Visiting Professor of Graduate School of Business and Finance
Outside Director / MITSUI-SOKO HOLDINGS Co., Ltd.

Reasons for the election and overview of expected roles:

Mr. Takashi Hirai has many years of experience working as a consultant in a consulting firm operating internationally and experience as an executive in business companies in Japan and the United States, in addition to experience in development of global human resources at a graduate school of corporate management. The Company expects him to continue to provide appropriate advice and recommendations regarding the formulation of corporate strategies, and to oversee management from an independent and objective perspective. For these reasons, he is again nominated as a candidate for Outside Director.

Message to our shareholders:

I have working experience as management consultant to assist businesses in formulating and implementing strategies, and then following the engagement as business executive in the management of business corporations, I am now teaching management strategies at a couple of graduate schools.

Needless to say, uncertainty in our business environment is not expected to be dispelled, but to become even severer under the circumstances not least Russia's invasion of Ukraine, let alone the adverse effect of the COVID-19 pandemic. Given such tough situation likely to remain for some time, KITO, a company committed to supporting societal and economic infrastructure, is driving forward in its journey towards self-transformation and customer value creation. As an Outside Director, I will make the best use of my experience and insight, and my knowledge of the latest business theories, to help achieve KITO's growth strategies and enhance our operation strengths.

No.
7

Koji Osawa

October 9, 1961 (Age: 60) Term of office 3 years

Male

Re-election

Outside

Independent director



Personal history, positions and responsibilities in the Company

April 1985	Joined Mitsubishi Corporation
October 1993	Palo Alto Office, Mitsubishi International Corporation
March 1999	Returned to Mitsubishi Corporation
May 1999	Retired from Mitsubishi Corporation
July 1999	Global Catalyst Partners L.P. / Managing Principal & Co-Founder (to present)
August 2014	Global Catalyst Partners Japan / Managing Director & Co-Founder (to present)
June 2019	Director of the Company (to present)

Significant concurrent positions

Global Catalyst Partners L.P. / Managing Principal & Co-Founder
Global Catalyst Partners Japan / Managing Director & Co-Founder

Number of shares of the Company held

8,400 shares

Attendance at board meetings

12 out of 12 meetings

Reasons for the election and overview of expected roles:

Mr. Koji Osawa, after working at a general trading company, was engaged in venture capital fund management for many years in Silicon Valley.

As a fund manager, he has experience with discovering and developing new businesses, as well as with objectively evaluating and overseeing businesses. Furthermore, he is deeply knowledgeable with regard to cutting-edge technologies such as IoT.

The Company expects him to continue to provide appropriate advice and recommendations that contribute to the development of the Company's business and the acquisition of cutting-edge technologies, and to oversee management from an independent and objective perspective. For these reasons, he is again nominated as a candidate for Outside Director.

Message to our shareholders:

I lived in Silicon Valley, U.S., for 23 years starting in 1993, and for 17 of those years I was engaged in investing in and developing numerous global venture companies through a venture capital fund that I founded myself. In a highly unpredictable business environment riddled with challenges such as the COVID-19 pandemic, gloomy prospect of global economy, and Russia's invasion of Ukraine, I will do my utmost to use my accumulated experience and knowledge to support KITO as it aims to develop further by reinforcing its management foundation, advancing its global operations, and formulating growth strategies.

- (Notes)
1. The Company has business transactions including product sales with JIANGYIN KITO CRANE CO., LTD., at which Mr. Yoshio Kito serves as Chairman and Mr. Shigeki Osozawa serves as Director. No conflict of interest exists between the Company and the other candidates.
 2. Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa are candidates for Outside Directors.
The Company has designated Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa as independent directors and notified the Tokyo Stock Exchange.
 3. Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa do not have the applicable attributes for reporting in the notification form for independent directors stipulated by the Tokyo Stock Exchange.
 4. Number of years of service since the candidates were first appointed as Outside Directors
 - 1) Mr. Katsumi Nakamura's term of office as an Outside Director, as of the conclusion of this General Meeting of Shareholders, is 6 years.
 - 2) Mr. Takashi Hirai's term of office as an Outside Director, as of the conclusion of this General Meeting of Shareholders, is 5 years.
 - 3) Mr. Koji Osawa's term of office as an Outside Director, as of the conclusion of this General Meeting of Shareholders, is 3 years.
 5. Liability limitation agreement with the candidates
Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa limiting their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability under those agreements is the total of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act, and if the re-election of Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa is approved, the Company plans to continue those agreements with them.
 6. Directors and Officers liability insurance contract
The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company that insures all Directors. In the event of a claim for damages submitted by a shareholder or a third party, etc., arising out of the conduct of the insured in connection with the execution of his/her duties as part of company business, the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. However, the above insurance policy does not apply to compensation for damages arising from the insureds' unlawful gain or benefit. The Company bears the entire premium for the insured parties. If the candidates are appointed as Directors, each of them will be insured under the insurance contract. The Company plans to renew this insurance contract with equivalent details while the Directors are in office.

Proposal No.4: Election of One (1) Substitute Corporate Auditor

In order to prevent the number of Corporate Auditors from falling below the legally stipulated number, the election of one (1) Substitute Outside Corporate Auditor is proposed. With regard to the effectiveness of this proposal, appointment may only be cancelled before the appointment by a resolution of the Board of Directors with the agreement of the Board of Corporate Auditors.

The Board of Corporate Auditors has given its consent to this proposal. The candidate for Substitute Corporate Auditor is as follows:

Masahide Kamachi May 18, 1981 (Age: 41)

Male Outside
Independent corporate auditor



Number of shares of the Company held
- shares

Personal history and positions

November 2005	Joined Chuo Aoyama Tax Accountants (currently PwC Tax Japan)
September 2009	Registered as a Certified Public Accountant
December 2014	Registered as a Certified Tax Accountant
November 2016	Established Kamachi Certified Public Accountants Office, Partner (to present)
	Managing Partner of Kamachi Certified Tax Accountants Office (to present)
	Outside Director of SOU Inc. (currently Valence Holdings Inc.)
January 2017	Representative Director of WILL CONSULTING (to present)
March 2017	Outside Member of the Audit and Supervisory Board of Medley Inc. (to present)
May 2017	Outside Member of the Audit and Supervisory Board of CHIBO Corporation
September 2018	Outside Director of CHIBO Holdings Co., Ltd. (to present)
November 2019	Outside Director and Member of the Audit & Supervisory Committee of Valence Holdings Inc. (to present)
	Outside Director of SOU Technologies Inc. (currently Valence Technologies Inc.)
April 2020	Full-time Associate Professor at Graduate School of Management, Globis University (to present)
March 2022	Outside Director of IBJ, Inc. (to present)

Significant concurrent positions

Partner / Kamachi Certified Public Accountants Office
Managing Partner / Kamachi Certified Tax Accountants Office
Representative Director / WILL CONSULTING
Outside Member of the Audit and Supervisory Board / Medley, Inc.
Outside Director / CHIBO Holdings Co., Ltd.
Outside Director and Member of the Audit & Supervisory Committee / Valence Holdings Inc.
Full-time Associate Professor / Graduate School of Management, Globis University
Outside Director / IBJ, Inc.

Reasons for the election:

Mr. Masahide Kamachi has broad-ranging expert knowledge regarding finance and accounting as a certified public accountant. He has also been involved in the management of several companies as an outside director. He is nominated as a candidate for Substitute Corporate Auditor, as his extensive experience is deemed necessary for the Company's fair and objective decision-making and oversight of business execution status.

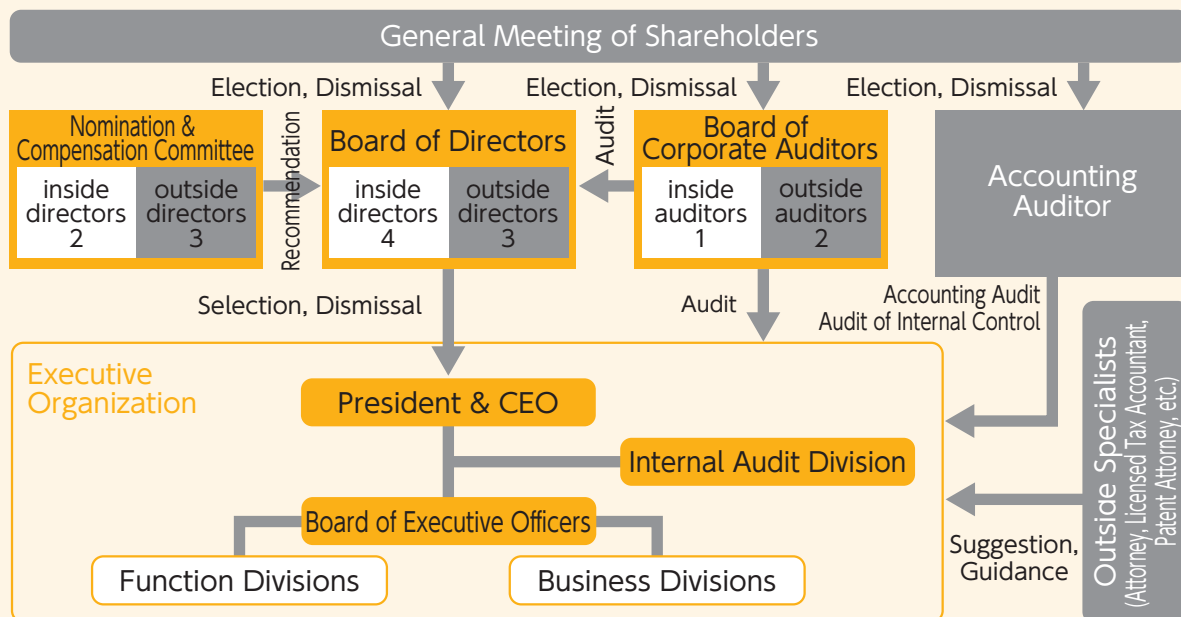
- (Notes)
1. Mr. Masahide Kamachi is a candidate for Substitute Outside Corporate Auditor.
 2. No conflict of interest exists between the candidate and the Company.
 3. In the event there is a vacancy in the position of Corporate Auditor and Mr. Masahide Kamachi is appointed, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will conclude an agreement that limits his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability under the agreement is the total of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act.
 4. The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., arising out of the conduct of the insured in connection with the execution of his/her duties as part of company business, the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. However, the above insurance policy does not apply to compensation for damages arising from the insureds' unlawful gain or benefit. The Company bears the entire premium for the insured parties. If Mr. Masahide Kamachi is appointed as a Corporate Auditor, he will be insured under the insurance contract. The Company plans to renew this insurance contract with equivalent details while Corporate Auditors are in office, after deliberation by the Board of Directors.
 5. If this proposal is approved and in the event Mr. Masahide Kamachi is appointed as a Corporate Auditor, the Company plans to notify the Tokyo Stock Exchange that he is an independent officer as stipulated by the Tokyo Stock Exchange.

Reference information related to the exercise of voting rights

Basic Principles System of Corporate Governance

The Company will, with the aim of achieving sustainable growth and improvement of corporate value on a medium to long-term basis, make efforts to enhance corporate governance in accordance with the basic concepts described below based on the belief that the essence of corporate governance lies in increasing the dynamism of management by securing the transparency and fairness thereof and making management decisions in a prompt and decisive manner.

- (1) To respect the rights of the shareholders and secure equality among them,
 - (2) To consider the interests of the stakeholders including the shareholders and cooperate with them in an appropriate manner,
 - (3) To disclose corporate information in an appropriate manner to secure transparency of management.
 - (4) To have the board of directors, taking into account the fiduciary responsibility and accountability to shareholders, enhance separation of the execution of management from the supervision thereof and the function of management supervision by outside directors to ensure the sustainable growth of the Company, enhancement of corporate value on a medium to long-term basis, and improvement of profitability and capital efficiency, and
 - (5) To have constructive dialogue with the shareholders.
- The Company's corporate governance system is as follows.



● Skills, career background and expertise possessed by or expected of each Director

The following matrix illustrates the status of skills, career background and expertise possessed by or expected of each Director after this Ordinary General Meeting of Shareholders, subject to the approval of this proposal.

		Global Management & Business Strategy	R&D & Manufacturing	Sales & Marketing	Environment & Quality	Growth Strategies	Human Resources Strategy	Finance & Accounting	Legal Affairs & Risk Management
Directors	Yoshio Kito	●	●			●	●		
	E. W. Hunter	●		●		●			
	Shigeki Osozawa						●	●	
	Toshio Kono		●	●	●				
	Katsumi Nakamura (Outside)	●	●			●	●		
	Takashi Hirai (Outside)	●		●		●	●		
	Koji Osawa (Outside)	●		●		●	●		
Corporate Auditors	Kentaro Yoneyama						●	●	●
	Kiyohito Hamada (Outside)					●		●	●
	Eiko Hakoda (Outside)					●		●	●

● Management System

If this proposal is approved, the Company will engage in business using the following system.

Board of Directors	Directors' term of office: one year	Appointed from among members both inside and outside of the Company with abundant experience and a high level of knowledge and specialization.
Inside Directors	Yoshio Kito Edward W. Hunter Shigeki Osozawa Toshio Kono	Of the seven Directors, three are Outside Directors with management transparency and a high level of soundness.
Outside Directors	Katsumi Nakamura Takashi Hirai Koji Osawa	The three Outside Directors are Independent Directors.
Board of Corporate Auditors	Corporate Auditors' term of office: four years	Appointed from among members with expertise and accumulated experience.
Inside Corporate Auditor	Kentaro Yoneyama	Outside Corporate Auditors comprise one certified public accountant and tax accountant and one lawyer, reinforcing the audit functions.
Outside Corporate Auditors	Kiyohito Hamada Eiko Hakoda	Two Outside Corporate Auditors are Independent Auditors.

Board of Executive Officers Executive Officers' term of office: one year

Persons with abilities and who are well-versed in operations are actively appointed, regardless of race, nationality, etc.

CEO Yoshio Kito Chief Executive Officer				
COO Chief Operating Officer	CQO Chief Quality Officer	CFO Chief Financial Officer	CMO Chief Manufacturing Officer	CPO Chief Product Officer
Edward W. Hunter	Tsuneo Yuzurihara	Shigeki Osozawa	Toshio Kono	Marc Premont

COO Edward W. Hunter			
The Americas Business	Domestic Sales	EMEA Business	Asia Pacific (APAC) Business
Carlo Lonardi	Kenji Okuma	Martin Rothe	Kazuishi Kaneko

CPO Marc Premont		CFO Shigeki Osozawa	Longlin Huang
Research & Development	Powered Chain Hoists	Corporate Planning	JIANGYIN KITO CRANE CO., LTD
Kazumitsu Ishikawa	Scott D. Miller	Masafumi Kokubo	

● Election of Officers (Nomination & Compensation Committee)

In the Company, the Nomination & Compensation Committee, a voluntary committee of which the majority is comprised of Outside Directors, deliberates and makes recommendations to the Board of Directors regarding candidates for Directors, Corporate Auditors, and Executive Officers.

The Company established the standards for independence of Outside Directors described in the following page and will judge the independence of the candidates for Outside Directors in accordance with the standards.



● Standards for Independence of Outside Directors and Corporate Auditors

The Company will judge the independence of its Outside Directors and Outside Corporate Auditors from the viewpoints of whether they can be expected to make positive suggestions and raise questions concerning the Company's business development, in addition to their satisfaction of the standards of independence prescribed by the Tokyo Stock Exchange, Inc. Specifically, independence of the Outside Directors and Outside Corporate Auditors will be evaluated based on the viewpoints mentioned above to the extent they do not fall under any of the following categories.

1. A person for whom the Company's group (meaning each group company including the Company. The same shall apply hereinafter.) are principal trading partners or a business executive thereof,
2. A principal trading partner of the Company's Group or a business executive thereof,
3. A major shareholder of the Company or a business executive thereof,
4. A business executive of a person for whom the Company's Group are major investors,
5. A person receiving a large donation from the Company's Group or a business executive thereof,
6. A consultant, certified public accountant, other professional accountant, lawyer, or other legal specialist that receives a large amount of money or other assets other than the compensation for a director from the Company's Group (assets in excess of the amount equivalent to 2% of its total sales turnover or gross income or 10 million yen whichever is larger on average in the preceding 3 years, other than the compensation for a director) (In the case that the person receiving the assets is a corporation, association or other group, a person belonging to such group),
7. A person belonging to the auditing firm who performs a statutory audit of the Company's Group,
8. A person from a corporation for which a business executive of the Company's Group assumed the post of its outside director on a reciprocal basis within the preceding 3 years,
9. A person falling under the category of Items 1 through 8 hereof within the preceding 3 years,
10. A close relative (within the 2nd degree of relationship) of a person (limited to a person in an important position) listed below:
 - a) A person who falls under the category of Items 1 through 9 hereof (in cases falling under Item 7, limited to the person who is actually involved in the audit services for the Company's group (Supporting involvement is excluded)),
 - b) A director, executive officer or employee of the Company's group. (including within the preceding 3 years).

(Note)

"Person for whom the Company's Group are principal trading partners" refers to a person who received from the Company's Group a payment of the amount in excess of 2% of its annual consolidated sales turnover or gross income or 100 million yen whichever is larger in the immediately preceding business year.

"Principal trading partner of the Company's Group" refers to a person who made to the Company's Group a payment of the amount in excess of 2% of the Company's annual consolidated sales turnover or gross revenue or 100 million yen whichever is larger in the immediately preceding business year.

"Major shareholder of the Company" refers to a person directly or indirectly holding 10% or more of the voting rights of the Company's entire shareholders.

"Person for whom the Company's Group is a major investor" refers to a person the Company's Group invests in to hold directly or indirectly 10% or more of its total voting rights.

"Person receiving a large donation from the Company's Group" refers to a person who received from the Company's Group a donation in excess of 10 million yen or 2% of its annual sales turnover or gross income whichever is larger on average in the preceding 3 years.

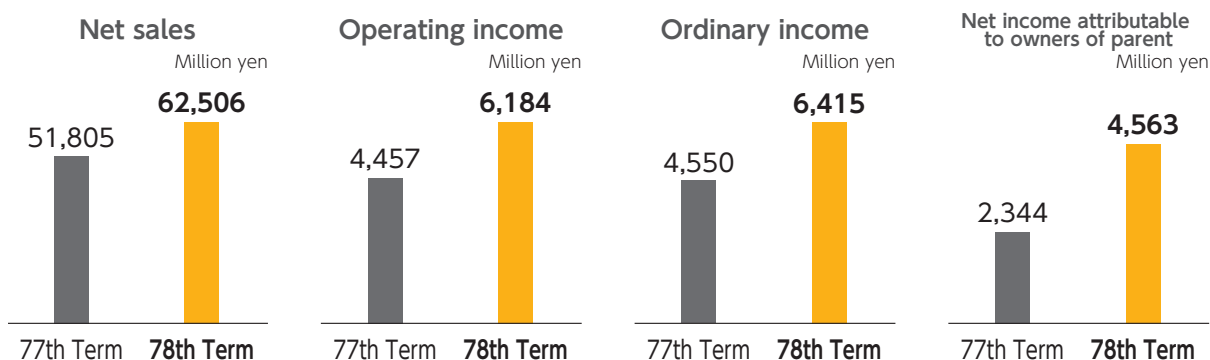
"Person in an important position" refers to a person at the position of director or at least equivalent to division manager, public accountant belonging to each auditing firm and lawyers belonging to each law firm.

1 Overview of the Company Group

(1) Business Progress and Results

During fiscal 2021 (ended March 31, 2022), rapid recovery of demand was observed in the global economy, including primarily economies in Europe and America, despite sporadic COVID19-related economic constraints imposed in certain countries and regions, while trend of moderate recovery, albeit at a moderate pace, continued in Japan. Such rapid recovery in global demand came with adverse effects including congestion in marine container transportation, sharp cost increase of natural resources, energy, raw materials and components, and in the period up to the fiscal year end, geopolitical situation involving Russia and Ukraine had great impact on the global economy. Under such circumstances, the Group focused on providing constant and stable customer services through ensuring supply chain including material suppliers and transportation routes, while maintaining the internal framework for increased production to capture strong demand in North America and Europe.

As a result, the Group recorded substantial increase in both revenue and profit, registering net sales at ¥62,506 million (up 20.7% year on year), operating income at ¥6,184 million (up 38.7%), ordinary income at ¥6,415 million (up 41.0%) and net income attributable to owners of parent at ¥4,563 million (up 94.7%), marking record highs in net sales, ordinary income and net income attributable to owners of parent.



Results by segment are as follows. The KITO Group's business activities are classified by geographical segment for the Company and its consolidated group companies.

Segment	Net sales [YoY change in %]	Operating income (loss) [YoY change in %]
Japan	27,097 million yen [up 25.8%]	5,777 million yen [up 33.9%]
The Americas	31,333 million yen [up 30.5%]	2,396 million yen [up 107.0%]
China	8,514 million yen [up 19.9%]	1,168 million yen [up 12.0%]
Asia	3,178 million yen [up 8.3%]	334 million yen [up 60.9%]
Europe	5,956 million yen [up 33.5%]	(430) million yen [368 million yen of operating loss for the previous FY]
Other	1,738 million yen [up 15.5%]	25 million yen [35 million yen of operating loss for the previous FY]

Japan:

Demand situation in the Japanese market moderately recovered despite the long-term constraints such as declaration of a state of emergency. On the other hand, exports proved favorable thanks to sustained growth of demand in overseas markets including primarily North America and Europe, registering net sales at ¥27,097 million (up 25.8% year on year) and operating income at ¥5,777 million (up 33.9%).

The Americas:

In the Americas, private capital expenditure remained favorable thanks to higher-than-expected trend of demand, along with the expectation for expansion of infrastructure investment supported by the government policies. As a result, the Group recorded substantial increase in both revenue and profit, registering net sales in the Americas at ¥31,333 million (up 30.5% year on year), and operating income at ¥2,396 million (up 107.0%), marking record highs in sales as well as profit.

China:

In China where recovery trend kicked in ahead of other markets, demand trend remained solid in fiscal 2021, registering net sales at ¥8,514 million (up 19.9% year on year) and operating income at ¥1,168 million (up 12.0%). Since the fiscal year of the China Segment ends in December, the fiscal year results are for the period from January to December.

Asia:

In Asian economies, demand situation continued to recover at a gradual pace along with the relaxation of restrictions on economic activities. As a result, this territory registered net sales at ¥3,178 million (up 8.3% year on year), and operating income at ¥334 million (up 60.9%).

Europe:

In Europe, economic activities started to pick up from the beginning of the fiscal year, giving rise to a considerable expansion of demand. As a result, net sales increased significantly to ¥5,956 million (up 33.5% year on year). In terms of profit, the territory was hit by the inflation of materials and energy prices skyrocketing at an accelerated pace, registering ¥430 million in operating loss.

Other:

This segment currently comprises business in Australia only. Net sales amounted to ¥1,738 million (up 15.5% year on year), with an operating income of ¥25 million.

(2) Capital investment

The total amount of capital investment in the consolidated fiscal year ended in March 31, 2022 was ¥4,446 million. This comprises primarily procurement of construction services for the new buildings, investments aimed at increasing the production capacity of the Head Office & Factory, and updating aging plants and equipment.

(3) Financing

In the consolidated fiscal year ended in March 31, 2022, the Company financed ¥6,822 million in the form of loans from financial institutions.

(4) Corporate challenges to be addressed

In addition to working to achieve KITO's unswerving mission of creating safe and highly productive working environments, we will also strive to achieve further growth by addressing the following challenges in order to reduce the environmental impact of our business activities.

- ① Enhance Customer Experience
 - We will expand our product fields and product lineup with an aim to maximize customer trust. Furthermore, we will strive to increase the value of KITO products, differentiate them from competitors' products, and expand our solution range.
 - We will improve our user training and other services, shorten lead times, and work to further enhance customer service.
 - We will also strengthen our quality control and quality assurance systems globally.
 - We will actively leverage digital technologies to provide new added value.
- ② Create an Efficient Organization and Enhance Production Efficiency
 - We will upgrade and strengthen our global IT and business platform infrastructure.
 - We will also work to improve our supply chain management, increasing the operational efficiency of our four manufacturing bases in Japan, China, the United States, and in Asia, improving delivery services, and reducing inventories.
 - We will work to optimize our chain production system, which boasts the largest production volume for link chains in the world, building around our presence in Japan, the United States and Europe.
- ③ Invest in People and Develop Our Human Resources
 - We are working to build an attractive organization by reforming the awareness of our employees and our corporate culture.
 - By further evolving diversity, the aim will be to develop business leaders who can realize teamwork by organizing team members of differing cultures and promote the development of business in global markets.
 - We will enhance the training provided to all KITO Group employees regarding the universal values we provide to society.

(5) Changes in assets and earnings



(In millions of yen, except per share amounts)

Item	75th Term April 1, 2018 through March 31, 2019	76th Term April 1, 2019 through March 31, 2020	77th Term April 1, 2020 through March 31, 2021	78th Term (FY2021) April 1, 2021 through March 31, 2022
Net sales	61,238	58,722	51,805	62,506
Ordinary income	5,748	4,991	4,550	6,415
Net income attributable to owners of parent	4,064	3,204	2,344	4,563
Net income per share	199.14 yen	156.64 yen	114.29 yen	221.97 yen
Total assets	62,078	62,804	65,067	72,490
Net assets	26,687	27,927	30,567	37,047

- (Notes) 1. Net income per share is calculated based on the average number of shares outstanding during the period.
2. Amounts less than one million yen, except per share amounts, are rounded down.
3. The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the fiscal year under review. Figures for the fiscal year under review stated in changes in assets and earnings are after applying the accounting standard, etc.

(6) Description of principal business (as of March 31, 2022)

The Group's principal business consists of the design, development, manufacture, and sales of equipment such as hoists, cranes, and chains. The Group handles mass-produced products, which are standardized based on sales estimates, and customized products that meet various needs depending on the type of cargo handling and the operating environment, as well as after-sales services through parts provision and maintenance.

① Principal products handled by the Group **Cranes**

This achieves three-dimensional movements in combination with hoists. There are various types depending on the application, such as overhead cranes, jib cranes, and bridge cranes.

Hoists

This product hoists and lowers heavy objects by manually operating the hand chain or running the electric motor. Chain and wire rope variants are available.

Below-the-hook devices

This is an attachment for lifting heavy objects. A range of variations is available depending on the type of heavy objects, including chain, magnetic, and fiber.

Various chain products

These include tire chains and marine chain products.

② The Group's sales structure

In Japan, we have adopted a distribution and sales system, and mainly conduct sales activities through authorized distributors under the umbrella of exclusive agents. Overseas, we supply products and services to more than 50 countries, including in North America, Asia, and Europe, through overseas subsidiaries and distributors.



(7) Main business locations and major subsidiaries of the Company

① Main business locations of the Company

Head Office Head Office & Factory (Yamanashi)

Tokyo Head Office (Tokyo)

Business Office

① Sapporo Office (Hokkaido)

② Sendai Office (Miyagi)

③ Kita Kanto & Shin'etsu Office (Gunma)

④ Yokohama Office (Kanagawa)

⑤ Central-Japan Sales Group (Aichi)

⑥ Osaka Sales Group (Osaka)

⑦ Chugoku & Shikoku Office (Okayama)

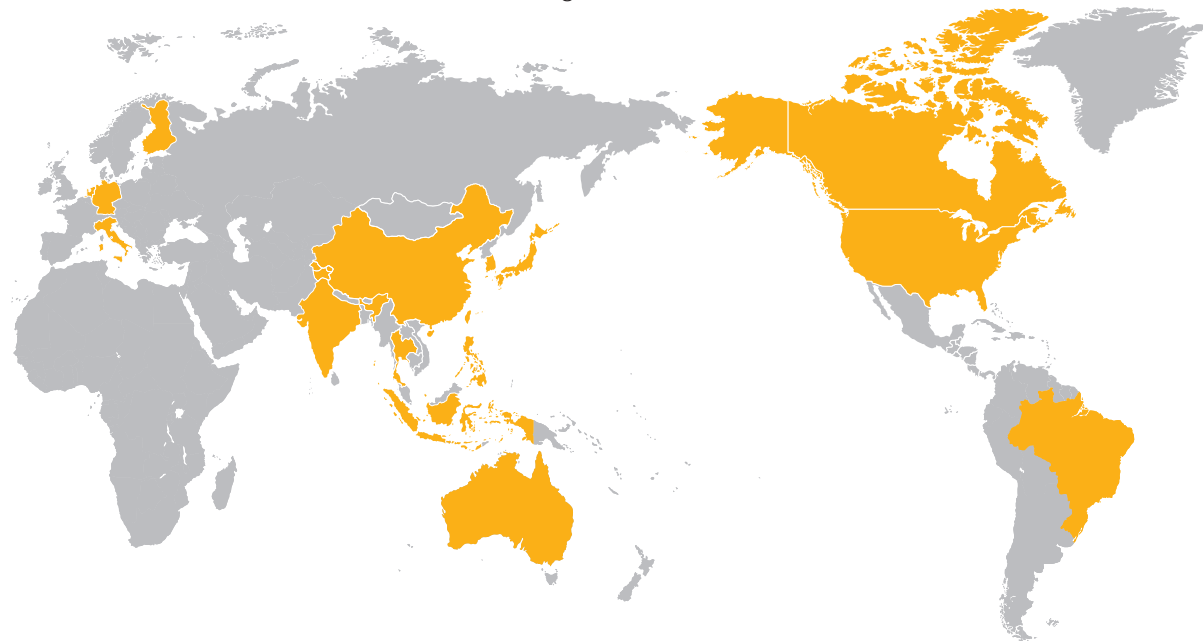
⑧ Fukuoka Office (Fukuoka)

② Status of Major Subsidiaries

Company name	Country and region	Capital	Percentage of voting rights	Description of principal business
(Consolidated subsidiaries) Harrington Hoists, Inc.	U.S.	(Thousand USD) 9,500	*100.0%	Manufacture and sales of the Company's products
PEERLESS CHAIN COMPANY	U.S.	(Thousand USD) 20,000	*100.0%	Manufacture and sales of chains and chain-related products, and holding company for the purpose of investing in SCC Japan GODO KAISHA
KITO CANADA INC.	Canada	(Thousand CAD) 800	100.0%	Sales of the Company's products
KITO DO BRASIL COMÉRCIO DE TALHAS E GUINDASTES LTDA	Brazil	(Thousand BRL) 12,971	100.0%	Sales of the Company's products
SCC JAPAN	Japan	(Thousand JPY) 10,000	*100.0%	Sales of PEERLESS CHAIN COMPANY products
KITO Americas, Inc.	U.S.	(Thousand USD) 20,000	100.0%	Holding company for the purpose of investing in Harrington Hoists, Inc. and PEERLESS INDUSTRIAL GROUP, INC., and managing trademark rights and intellectual property rights concerning the products of Harrington Hoists, Inc.
PEERLESS INDUSTRIAL GROUP, INC.	U.S.	(Thousand USD) 20,000	*100.0%	Holding company for the purpose of investing in PEERLESS CHAIN COMPANY
JIANGYIN KITO CRANE CO., LTD	China	(Thousand USD) 26,000	90.0%	Manufacture and sales of wire-rope hoist products, etc. and manufacture of components of the Company's products
KITO HOISTS & CRANES (SHANGHAI) CO., LTD.	China	(Thousand USD) 7,000	*94.0%	Sales of the Company's products
KITO TAIWAN CO., LTD.	Taiwan	(Thousand NTD) 96,500	55.0%	Sales of the Company's products and cranes
KITO KOREA CO., LTD.	Korea	(Thousand KRW) 4,453,080	93.26%	Manufacture and sales of the Company's products and cranes
SIAM KITO CO., LTD.	Thailand	(Thousand THB) 100,000	*80.0%	Manufacture and sales of the Company's products and cranes
KITO INDIA PRIVATE LIMITED	India	(Thousand INR) 37,555	100.0%	Sales of the Company's products
PT. KITO INDONESIA	Indonesia	(Thousand IDR) 40,473,560	100.0%	Sales of the Company's products and cranes

Company name	Country and region	Capital	Percentage of voting rights	Description of principal business
Kito Europe GmbH	Germany	(Thousand EUR) 3,000	100.0%	Sales of the Company's products
KITO CHAIN ITALIA S.R.L.	Italy	(Thousand EUR) 10	100.0%	Manufacture and sales of chains and chain-related products
ERIKKILA OY	Finland	(Thousand EUR) 40	*100.0%	Manufacture and sales of light crane products, etc.
Kiinteistö Oy Alamos	Finland	(Thousand EUR) 10	*100.0%	Management of real estate owned by ERIKKILA OY
Van Leusden B.V.	The Netherlands	(Thousand EUR) 45	*100.0%	Manufacture and sales of customized hoists and cranes products, etc., with rustproof and explosion-proof specifications
PWB ANCHOR LIMITED	Australia	(Thousand AUD) 2,018	*100.0%	Sales of the Company's products
KITO AUSTRALIA PTY LTD	Australia	(Thousand EUR) 7,095	100.0%	A holding company investing in ANCHOR NOMINEES PTY. LTD., the parent company of PWB ANCHOR LIMITED

(Note) Investment ratio with (*) include indirect holding of shares.



- ③ Status of specified wholly-owned subsidiaries of the Company as of March 31, 2022
There are no companies classified as specified wholly-owned subsidiaries.

(8) Status of employees (as of March 31, 2022)

① Status of employees of the Group

Number of employees	Increase/decrease from the end of the previous fiscal year
2,280 persons (315 persons)	Increase of 18 persons

(Notes) 1. The number of employees is the number of workers.

2. The number in parentheses in the number of employees column is the annual average number of temporary employees.

Temporary employees include part-time staff, temporary staff, and dispatched staff.

② Status of employees of the Company

Number of employees	Increase/decrease from the end of the previous fiscal year	Average age	Average years of service
687 persons	Increase of 10 persons	43.0 years old	17.6 years

(Note) The number of employees is the number of workers excluding employees seconded from the Company to another company and including employees seconded from another company to the Company.

(9) Principal lenders (as of March 31, 2022)

Lenders	Loan balance (millions of yen)
Sumitomo Mitsui Banking Corporation	6,136
MUFG Bank, Ltd.	3,123
The Yamanashi Chuo Bank, Ltd.	1,996
Sumitomo Mitsui Trust Bank, Limited	1,897

(Note) Amounts less than one million yen are rounded down.

(10) Other important information concerning the current status of the corporate Group

On May 16, 2022, the Board of Directors of the Company resolved to enter into a Business Combination Agreement with Lifting Holdings Limited, Crosby US Acquisition Corp., and Crosby UK Acquisition Ltd. with respect to the business combination of the Company and the Crosby Group, and that, as part of this business combination, with respect to the tender offer by Lifting Holdings BidCo Limited, all of whose shares are directly held by Lifting Holdings Limited, for the common stock and stock acquisition rights of the Company, the Board of Directors resolved to express its opinion in favor of the tender offer and recommend that the shareholders and stock acquisition right holders of the Company accept the offer if it is made. For details, please refer to the notes to the non-consolidated financial statements (Significant subsequent events) and the notes to the consolidated financial statements (Significant subsequent events).

2 Matters Concerning the Company's Shares

(1) Total number of shares authorized: 94,000,000 shares

(2) Total number of shares issued: 20,578,019 shares
(excluding 470,181 shares of treasury stock)

(3) Number of shareholders: 3,870 persons

(4) Major shareholders (top ten shareholders)

Name of shareholder	Number of shares	Percentage of shareholding
The Master Trust Bank of Japan, Ltd. (Trust account)	3,435,600 shares	16.69%
MISAKI ENGAGEMENT MASTER FUND	2,045,000 shares	9.93%
THE BANK OF NEW YORK-JASDECNON-TREATY ACCOUNT	1,200,000 shares	5.83%
Custody Bank of Japan, Ltd. (Trust account)	863,100 shares	4.19%
GOVERNMENT OF NORWAY	832,710 shares	4.04%
YK Capital Co., Ltd.	740,000 shares	3.59%
Sumitomo Mitsui Banking Corporation	670,400 shares	3.25%
RAIFFEISEN BANK INTERNATIONAL AG CLIENT A/C	540,000 shares	2.62%
THE BANK OF NEW YORK MELLON 140042	414,800 shares	2.01%
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	360,100 shares	1.74%

(Notes) 1. The Company holds 470,181 shares of treasury stock and those shares are excluded from the major shareholders above.

2. The percentage of shareholding is calculated after deducting the treasury stock, and rounded down to two decimal places.

(5) Status of shares issued to officers as compensation for the execution of their duties during the fiscal year under review

The details of stock-based compensation is as follows.

Category	No. of recipients	No. of shares
Directors (excluding Outside Directors)	4	16,561 shares

3 Matters Concerning Officers

(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2022)

Position	Name	Responsibilities and significant concurrent positions	Status of principal activities
President & CEO	Yoshio Kito	President Executive Officer Chief Executive Officer Chief Product Officer KITO Americas, Inc. / Director JIANGYIN KITO CRANE CO., LTD. / Chairman	—
Executive Vice President	Edward W. Hunter	Executive Vice President Officer Co-Chief Market Officer KITO Americas, Inc. / Chairman ERIKKILA OY / Director Kiinteistö Oy Alamos / Director	—
Managing Director	Tsuneo Yuzurihara	Senior Executive Officer Chief Quality Officer Chief Manufacturing Officer Head / General Manager of Quality Assurance Division KITO HOIST THAI CO., LTD. / Director	—
Managing Director	Shigeki Osozawa	Senior Executive Officer Chief Financial Officer General Manager of Corporate Management Division General Manager of Financial Management Division JIANGYIN KITO CRANE CO., LTD. / Director	—
Outside Director	Katsumi Nakamura	Kansai Airports / Outside Director, Member of the Audit and Supervisory Committee	Mr. Katsumi Nakamura attended all 12 board meetings. He leveraged his extensive experience with management in the manufacturing industry and his wide-ranging knowledge of manufacturing, and made various remarks such as sharing his opinions on overall management from a global management perspective. Furthermore, he serves as a member of the Nomination & Compensation Committee, which was established to improve transparency and objectivity in selecting candidates for Directors, etc., and making decisions regarding compensation.

Position	Name	Responsibilities and significant concurrent positions	Status of principal activities
Outside Director	Takashi Hirai	University of Tsukuba / Professor of Graduate School of Business Sciences, MBA Program in International Business Waseda University / Visiting Professor of Graduate School of Business and Finance MITSUI-SOKO HOLDINGS Co., Ltd. / Outside Director	Mr. Takashi Hirai attended all 12 board meetings. Based on his many years of experience working as a consultant in a world-famous consulting firm, he made various remarks, including sharing his opinions on important management issues such as the formulation of growth strategies and the enhancement of global management strengths. Furthermore, he serves as a member of the Nomination & Compensation Committee, which was established to improve transparency and objectivity in selecting candidates for Directors, etc., and making decisions regarding compensation.
Outside Director	Koji Osawa	Global Catalyst Partners L.P. / Managing Principal & Co-Founder Global Catalyst Partners Japan / Managing Director & Co-Founder	Mr. Koji Osawa attended all 12 board meetings. Based on his experience working at a general trading company and managing a venture capital fund, he made various remarks, including sharing his opinions on the search for growth fields, investment strategies, and external negotiation policies. Furthermore, he serves as a member of the Nomination & Compensation Committee, which was established to improve transparency and objectivity in selecting candidates for Directors, etc., and making decisions regarding compensation.
Standing Corporate Auditor	Kentaro Yoneyama	—	—
Outside Corporate Auditor	Kiyohito Hamada	Yotsuba-sogo Accounting Office / Partner Medical Data Vision Co., Ltd. / Outside Corporate Auditor Nice Corporation / Outside Director	Mr. Kiyohito Hamada attended all 12 board meetings and all 13 Board of Corporate Auditors' meetings. He has made remarks based on his extensive experience and expert knowledge as a certified public accountant and tax accountant, such as providing valuable insights at board meetings and the Corporate Auditors' meetings.
Outside Corporate Auditor	Eiko Hakoda	Mori Hamada & Matsumoto / LPC Partner	Ms. Eiko Hakoda attended all 12 board meetings and all 13 Board of Corporate Auditors' meetings. She has made remarks based on her extensive experience and expert knowledge as an attorney, such as providing valuable insights at board meetings and the Corporate Auditors' meetings.

- (Notes) 1. There are no important business transactions or other relationships between the Company and the entities at which Directors Katsumi Nakamura, Takashi Hirai, and Koji Osawa hold concurrent positions.
2. There are no important business transactions or other relationships between the Company and the entities at which Corporate Auditors Kiyohito Hamada and Eiko Hakoda hold concurrent positions.
3. Corporate Auditor Kiyohito Hamada is a certified public accountant and a certified tax accountant, and has considerable knowledge of finance and accounting.
4. The Company has designated Directors Katsumi Nakamura, Takashi Hirai, and Koji Osawa and Corporate Auditors Kiyohito Hamada and Eiko Hakoda as independent director/auditor with no potential conflict of interest with general shareholders, the designation of which is required by the Tokyo Stock Exchange, and notified the Tokyo Stock Exchange as such.
5. The Company has adopted an executive officer system in order to expedite decision-making and clarify management responsibilities. Please see page 24 for information regarding these responsibilities.
6. In addition to the meetings of the Board of Directors indicated above, a total of six resolutions in writing were made, deemed to be resolutions of the Board of Directors pursuant to Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.
7. Managing Director Tsuneo Yuzurihara retired on April 7, 2022 as Director of KITO HOIST THAI CO., LTD.
8. On April 1, 2022, areas of responsibilities of Directors changed as follows.

Name	Positions and responsibilities	
	Before the change	After the change
Yoshio Kito	President & CEO, President Executive Officer, Chief Product Officer	President & CEO, President Executive Officer
Edward W. Hunter	Executive Vice President, Executive Vice President Officer, Co-Chief Market Officer	Executive Vice President, Executive Vice President Officer, Chief Operating Officer
Tsuneo Yuzurihara	Managing Director, Senior Executive Officer, Chief Quality Officer, Chief Manufacturing Officer, Head/ General Manager of Quality Assurance Division	Managing Director, Senior Executive Officer, Chief Quality Officer, Head/General Manager of Quality Assurance Division

(2) Overview of the contents of the liability limitation agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 40, Paragraph 2 of the Company's Articles of Incorporation, the Company has concluded an agreement with each Outside Director and Outside Corporate Auditor, limiting their liability for damages under Article 423, Paragraph 1 of the same Act.

The maximum amount of liability under the agreement for each Outside Director and Outside Corporate Auditor is the total of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act.

(3) Overview of the contents of the Directors and Officers liability insurance contract

The Company has entered into a Directors and Officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., arising out of the conduct of the insured in connection with the execution of his/her duties as part of company business, the said insurance contract shall compensate for damages including compensation for damages and legal

expenses to be borne by the insureds. However, the above insurance policy does not apply to compensation for damages arising from the insureds' unlawful gain or benefit. The Company bears the entire premium for the insured parties. The parties insured under these insurance contracts are Directors, Corporate Auditors, Executive Officers, and other key executives of the Company and its subsidiaries and affiliates.

(4) Amount of compensation, etc. paid to Directors and Corporate Auditors for the fiscal year under review

The Company's policy governing decision-making regarding the contents of compensation, etc., for individual Directors is determined by the Board of Directors. In making these decisions, the Nomination & Compensation Committee deliberates and reports its findings to the Board of Directors. Resolution for changes in the policy for determining the detail of compensation, etc. of each individual Director was adopted at the Board of Directors meeting held on July 28, 2021. The details of Officer compensation, etc., of the Company, determined in accordance with this policy, are as follows.

① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors

Director compensation of the Company consists of compensation linked to shareholder returns to ensure that the compensation functions effectively as an incentive for achieving sustainable growth and improvement of medium- and long-term corporate value of the Group. The Group's basic policy is to decide on compensation for individual Directors that is commensurate with their respective duties. Specifically, Director compensation comprises basic compensation (fixed compensation), performance-based compensation, and stock-based compensation. Outside Directors and Corporate Auditors, who are responsible for overseeing functions, are paid only basic compensation in consideration of the nature of their duties.

Basic compensation	Fixed compensation is paid on a monthly basis. The amount of fixed compensation is decided through comprehensive consideration of positions and duties, taking into account factors such as compensation standards at other companies, the Company's business performance, and employee salary standards.
Performance-based compensation (cash bonuses)	Bonuses as cash remuneration reflecting business performance indicators are paid at a given period each year, with the aim of promoting a greater focus on improving business results each fiscal year. The amounts of cash bonuses are calculated based on the level of achievement of consolidated net sales and EBITDA targets for each fiscal year, as well as evaluations performed using the targets set for each individual each year. The consolidated net sales and EBITDA targets are determined from business plans formulated each year, which are based on medium-term management plans, and on publicly announced figures. These targets are revised as necessary upon consultation with the Nomination & Compensation Committee to reflect changes in the business environment.
Stock-based compensation (transfer-restricted stock)	A standard annual amount is determined by the Board of Directors for each position, and the Company's common stock equivalent to that amount is granted annually at a given period each year. Transfer restrictions are lifted on the date on which the grantee resigns from the post of both Director and Executive Officer of the Company or the Company's subsidiary.

Composition of compensation for individual Directors (the percentages of each type of compensation) is based on compensation standards which use as their benchmark the compensation offered in companies equivalent in scale to the Company and companies in the same business fields or with the same business formats.

Performance-based compensation is weighed more heavily for upper level positions and duties. Compensation composition is deliberated by the Nomination & Compensation Committee and their findings are reported to the Board of Directors. The Board of Directors shall honor the report submitted by the Nomination & Compensation Committee, and determine the detail of compensation, etc. of each individual Director within the range of compensation mix by type of compensation. The Board of Directors may entrust the decision to determine the detail of compensation, etc. of each individual Director to the Nomination & Compensation Committee. The standard for ratio of compensation by type is as follows: basic compensation : performance-based compensation : stock-based compensation = 6 : 3 : 1 (when performance indicator targets have been met 100%).

Position	Basic compensation	Performance-based compensation	Stock-based compensation
President & CEO	58%	29%	13%
Executive Vice President	52%	26%	22%
Managing Director	62%	28%	10%

The details of authority entrusted to the Nomination & Compensation Committee shall be to determine the amount of basic compensation of each Director, and the composition ratio of performance-based compensation for each Director based on his/her performance in the individual area of responsibilities.

The Board of Directors deems the compensation for individual Directors observe the determination policy, as the amounts of compensation for individual Directors are determined through the above process.

(Note) Under the policy prior to the change in July 28, 2021, President & CEO had been entrusted by the Board of Directors, to determine the detail of compensation, etc. of each individual Director (the amounts of basic compensation and performance-based compensation), within the range reported by the Nomination & Compensation Committee. To ensure that this decision-making authority is exercised appropriately by the President & CEO, the Board of Directors consulted with the Nomination & Compensation Committee regarding the draft proposal for compensation and received their report. The President & CEO, to whom the aforementioned authority is delegated, then made decisions on compensation in accordance with the content of this report. The Board of Directors deems that the compensation for individual Directors up to June 2021 observe the determination policy, as the amounts of compensation for individual Directors are determined through the above process.

② Matters concerning resolutions at the General Meeting of Shareholders regarding compensation, etc., for Directors and Corporate Auditors

- a. The amounts of compensation paid to the Company's Directors and Corporate Auditors were approved at the Ordinary General Meeting of Shareholders held on June 26, 2007 as follows. The number of members as of the conclusion of said Ordinary General Meeting of Shareholders was eight Directors (of which three are Outside Directors) and three Corporate

Auditors (of which two are Outside Corporate Auditors).

- Compensation for Directors: not more than 300 million yen per year (including not more than 30 million yen per year for Outside Directors; however, not including the employee salary portion of Directors who serve concurrently as employees)
- Compensation for Corporate Auditors: not more than 80 million yen per year

b. In addition to the abovementioned compensation, with regard to stock-based compensation, it was resolved at the Ordinary General Meeting of Shareholders held on June 21, 2019 that the amount of compensation of transfer-restricted stock shall be no more than 100 million yen per year, and the maximum number of shares shall be no more than 100 thousand shares per year. The number of members as of the conclusion of said Ordinary General Meeting of Shareholders was four Directors (excluding Outside Directors).

③ Amount of compensation, etc. for Directors and Corporate Auditors

Classification	Payment recipients	Basic compensation	Performance-based compensation	Non-monetary compensation, etc.		Total amount of compensation, etc.
				Stock-based compensation (transfer-restricted stock)	Stock option compensation	
Directors	7 persons	116 million yen	51 million yen	24 million yen	0 million yen	191 million yen
(Of which, Outside Directors)	(3 persons)	(21 million yen)	(—)	(—)	(—)	(21 million yen)
Corporate Auditors	3 persons	28 million yen	—	—	—	28 million yen
(Of which, Outside Corporate Auditors)	(2 persons)	(14 million yen)	(—)	(—)	(—)	(14 million yen)
Total	10 persons	144 million yen	51 million yen	24 million yen	0 million yen	220 million yen
(Of which, Outside Officers)	(5 persons)	(36 million yen)	(—)	(—)	(—)	(36 million yen)

(Notes) 1. The number of Directors and Corporate Auditors as of March 31, 2022 is seven Directors and three Corporate Auditors.

2. The method to determine the amount of compensation for individual Directors for the fiscal year under review is as follows.

(1) Up to June 2021

The Board of Directors delegates decision-making regarding the specific details of compensation for individual Directors to President & CEO Yoshio Kito, within the scope approved at the General Meeting of Shareholders and within the scope indicated in the report from the Nomination & Compensation Committee. The details of the delegated authority and the measures implemented to ensure the said delegated authority is exercised appropriately, are as indicated in the notes of “① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors.” The reason for this delegation of authority is that the President & CEO is best suited to fairly evaluating the Directors, for he has a comprehensive understanding of the performance of individual Directors. Finally, the amount of compensation for each Director, as determined by the President & CEO, has not changed from the recommendation of the Nomination & Compensation Committee.

(2) July 2021 and later

The Board of Directors delegates decision-making regarding the specific details of compensation for individual Directors to the Nomination & Compensation Committee, within the scope approved at the General Meeting of Shareholders. The Nomination & Compensation Committee comprises President & CEO Yoshio Kito, Managing Director Shigeki Osozawa, Outside Directors Katsumi Nakamura, Takashi Hirai and Koji Osawa. The details of the delegated authority are as indicated in “① Matters concerning the determination

policy regarding the contents of compensation, etc., for individual Directors." The reason for this delegation of authority is that the Nomination & Compensation Committee, which is composed of a majority of Outside Directors, will be able to enhance transparency and objectivity in determining the amount of individual Director compensation, in addition to the perspective of the President & CEO, who has a comprehensive understanding of the performance of individual Directors.

3. A portion of standard amount of restricted stock compensation has been paid to Directors resident overseas with tax burden accrued at the time when restricted stock compensation is granted. This cash payment is included in the amount of basic compensation above.
4. Performance-based compensation is determined after the fiscal year-end and the settlement of accounts, by calculating the achievement level of targets (performance achievement rate) and conducting evaluations on an individual basis. The amounts of performance-based compensation for the fiscal year under review have not yet been finalized, and the abovementioned performance-based compensation amounts are scheduled payment amounts.
5. The amount of performance-based compensation for fiscal 2020 was finalized in June 2021. This amount is not included in the abovementioned performance-based compensation amounts. The finalized amount was based on the performance achievement rate for the fiscal year (94.5%) and reflects evaluations of each individual. The finalized amount was 44 million yen, which is a reduction of approximately 10 million yen from the performance-based compensation amount (55 million yen) disclosed in the fiscal 2020 business report.
6. Directors are issued stock-based compensation as non-monetary compensation. The content of stock-based compensation and the state of its issuance is as indicated in "① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors" and "2. Matters Concerning the Company's Shares."
7. The stock option compensation amount is the amount recorded as expenses related to stock acquisition rights granted in the form of stock options during the fiscal year under review.
8. Stock option compensation and Directors' retirement benefits system have been abolished as of the conclusion of the 75th Ordinary General Meeting of Shareholders held on June 21, 2019.
9. Amounts less than one million yen are rounded down.

④ Matters related to performance-based compensation

The method used to calculate amounts of performance-based compensation is as indicated in "① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors."

The details of business performance indicators selected for use in calculations of performance-based compensation, the reasons for their selection, and the results of their use for fiscal 2021 are as indicated below.

Indicators	FY2021		Reason for selection as indicator
	Targets	Results	
Consolidated net sales	55,000 million yen	62,506 million yen	Selected as an indicator of market growth potential
EBITDA	7,900 million yen	9,148 million yen	Selected as an indicator of cash generating ability

(Notes) 1. Targets are determined from business plans formulated each year, based on medium-term management plans and on business forecasts.

2. Amounts are rounded to the nearest million yen.

(5) Other important matters concerning officers

Not applicable.

4 Matters Concerning Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Amount of compensation, etc. paid to Accounting Auditor for the fiscal year under review

	Amount paid
① Amount of compensation, etc. related to duties stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	63 million yen
② Amount of compensation, etc. related to duties other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	0 million yen
Total of cash and other financial benefits payable by the Company and its subsidiaries	63 million yen

- (Notes) 1. Under the audit agreement between the Company and the Accounting Auditor, the amount of compensation, etc. for the audit in accordance with the Companies Act and the amount for the audit in accordance with the Financial Instruments and Exchange Act are not clearly distinguished, and it is impractical to categorize the amounts. As such, the total of these amounts is stated in the amount of compensation, etc. for the fiscal year under review.
2. The Company pays the Accounting Auditor for consideration for advisory duties regarding revenue recognition, which are duties other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit duties).
3. The Company's Board of Corporate Auditors has reviewed and considered items including the audit plan of the Accounting Auditor, the implementation status of audits, and the basis for calculating estimates, in light of the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, and has given consent prescribed in Article 399, Paragraph 1 of the Companies Act for compensation paid to the Accounting Auditor.
4. Amounts less than one million yen are rounded down.

(3) The Company's consolidated subsidiaries audited by audit corporations other than the Company's Accounting Auditor

Consolidated subsidiaries are audited by a certified public accountant or audit corporation other than PricewaterhouseCoopers Aarata LLC.

(4) Policy concerning decision on dismissal or non-reappointment of Accounting Auditor

In the event that the execution of duties by the Accounting Auditor is disrupted, or when otherwise deemed necessary, the Company's Board of Corporate Auditors shall determine the content of a proposal in relation to the dismissal or non-reappointment of the Accounting Auditor.

In addition, if the Accounting Auditor is deemed to fall under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors shall dismiss the Accounting Auditor with the unanimous consent of all Corporate Auditors. In such case, a Corporate Auditor designated by the Board of Corporate Auditors shall report the dismissal of the Accounting Auditor and the reasons for dismissal at the first General Meeting of Shareholders convened after such dismissal.

Consolidated financial statements

Consolidated balance sheets Consolidated fiscal year 2021 (As of March 31, 2022)

Million yen

Accounts	Amounts	Accounts	Amounts
Assets		Liabilities	
Current assets	47,450	Current liabilities	20,908
Cash and deposits	11,269	Notes and accounts payable	7,528
Notes receivable	1,630	Provision for product warranties	61
Accounts receivable	11,410	Provision for bonuses	1,041
Merchandise and finished goods	15,820	Income taxes payable	1,380
Work in process	1,866	Short-term loans payable	1,343
Raw materials and supplies	3,824	Current portion of long-term loans payable	3,899
Other	1,774	Other	5,653
Allowance for doubtful receivables	(147)	Non-current liabilities	14,534
Non-current assets	25,039	Long-term loans payable	10,437
Property, plant and equipment	15,721	Net defined benefit liability	2,384
Buildings and structures	5,880	Deferred tax liabilities	728
Machinery, equipment and vehicles	4,486	Other	983
Land	1,535	Total liabilities	35,442
Construction in progress	1,989	Net assets	
Other	1,828	Shareholders' equity	32,973
Intangible assets	4,738	Capital stock	3,976
Goodwill	818	Capital surplus	5,099
Other	3,920	Retained earnings	24,302
Investments and other assets	4,580	Treasury shares	(405)
Investment securities	1,327	Accumulated other comprehensive income	2,895
Deferred tax assets	1,868	Valuation difference on available-for-sale securities	0
Other	1,383	Deferred gains or losses on hedges	8
Total assets	72,490	Foreign currency translation adjustment	2,921
		Remeasurement of defined benefit plans	(33)
		Subscription rights to shares	57
		Minority interests	1,120
		Total net assets	37,047
		Total liabilities and net assets	72,490

Note: Amount less than one million yen are rounded down.

Consolidated statement of income Consolidated fiscal year 2021 (From April 1, 2021 to March 31, 2022) Million yen

Accounts		Amounts
Net sales		62,506
Cost of sales		39,775
Gross profit		22,731
Selling, general and administrative expenses		16,546
Operating income		6,184
Non-operating income		631
Interest income	35	
Foreign exchange gains	280	
Rents received	88	
Subsidy income	53	
Proceeds from the sales of scrap	92	
Other	80	
Non-operating expenses		399
Interest expenses	183	
Arrangement fees	64	
Other	151	
Ordinary income		6,415
Extraordinary income		231
Gain on sale of non-current assets	6	
Insurance claim income	224	
Extraordinary loss		371
Loss on sale of non-current assets	2	
Impairment loss	119	
Loss on retirement of non-current assets	24	
Litigation settlement	224	
Income before income taxes		6,275
Income taxes-current		1,937
Income taxes-deferred		(378)
Net income		4,716
Net income attributable to non-controlling interests		153
Net income attributable to owners of parent		4,563

Note: Amount less than one million yen are rounded down.

Non-consolidated financial statements

Non-consolidated balance sheets Fiscal year 2021 (As of March 31, 2022)

Million yen

Accounts	Amounts	Accounts	Amounts
Assets		Liabilities	
Current assets	19,513	Current liabilities	11,983
Cash and deposits	4,766	Notes payable – trade	488
Notes receivable – trade	106	Accounts payable – trade	3,309
Electronically recorded monetary claims – operating	82	Current portion of long-term loans payable	3,794
Accounts receivable – trade	6,228	Accounts payable – other	303
Merchandise and finished goods	2,683	Accrued expenses	2,100
Work in process	886	Income taxes payable	1,130
Raw materials and supplies	2,368	Contract liabilities	0
Advance payments to suppliers	0	Advances received	0
Prepaid expenses	263	Deposits received	33
Other	2,128	Provision for bonuses	410
		Provision for product warranties	36
Non-current assets	27,282	Other	376
Property, plant and equipment	6,631	Non-current liabilities	11,973
Buildings	2,145	Long-term loans payable	9,451
Structures	206	Long-term borrowings from subsidiaries and associates	308
Machinery and equipment	2,137	Provision for retirement benefits	1,922
Vehicles	12	Asset retirement obligations	33
Tools, furniture and fixtures	293	Other	257
Land	1,000	Total liabilities	23,956
Construction in progress	834		
Intangible assets	678	Net assets	
Software	461		
Other	217	Shareholders' equity	22,773
Investments and other assets	19,972	Capital stock	3,976
Investment securities	33	Capital surplus	5,243
Shares of subsidiaries and associates	5,781	Legal capital surplus	5,199
Investments in capital of subsidiaries and associates	8,406	Other capital surplus	43
Long-term loans receivable from subsidiaries and associates	4,344	Retained earnings	13,959
Long-term prepaid expenses	57	Other retained earnings	13,959
Deferred tax assets	1,161	Reserve for tax purpose reduction entry of non-current assets	9
Other	186	General reserve	150
		Retained earnings brought forward	13,799
Total assets	46,796	Treasury shares	(405)
		Valuation and translation adjustments	8
		Deferred gains or losses on hedges	8
		Subscription rights to shares	57
		Total net assets	22,839
		Total liabilities and net assets	46,796

Note: Amount less than one million yen are rounded down.

Non-consolidated statement of income Fiscal year 2021 (From April 1, 2021 to March 31, 2022) Million yen

Accounts		Amounts
Net sales		27,097
Cost of sales		16,764
Gross profit		10,332
Selling, general and administrative expenses		6,963
Operating income		3,369
Non-operating income		1,216
Interest income	98	
Dividend income	675	
Foreign exchange gains	306	
Other	136	
Non-operating expenses		264
Interest expenses	159	
Arrangement fees	64	
Other	40	
Ordinary income		4,320
Extraordinary income		0
Gain on sale of non-current assets	0	
Extraordinary loss		11
Loss on retirement of non-current assets	11	
Income before income taxes		4,308
Income taxes-current		1,365
Income taxes-deferred		(190)
Net income		3,134

Note: Amount less than one million yen are rounded down.

AUDITOR'S REPORT

Certified Copy of the Accounting Auditor's Report Relating to Statutory Reports (Consolidated)

INDEPENDENT AUDITOR'S REPORT

May 19, 2022

The Board of Directors
KITO CORPORATION

PricewaterhouseCoopers Aarata LLC
Tokyo Office

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Junji Ichihara

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Masanori Yagi

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of KITO CORPORATION (the "Company") for the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of KITO CORPORATION, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Emphasis of Matter

As described in the significant subsequent events, on May 16, 2022, the Company entered into a Business Combination Agreement with Lifting Holdings Limited, Crosby US Acquisition Corp. and Crosby UK Acquisition Ltd. with respect to the business combination of the Company and Crosby Group. At the meeting of the Board of Directors held on the same date, as part of this business combination, with respect to the tender offer by Lifting Holdings BidCo Limited, all of whose shares are directly held by Lifting Holdings Limited, for the common stock and stock acquisition rights of the Company, the Board of Directors resolved to express its opinion in favor of the tender offer and recommend that the shareholders and stock acquisition right holders of the Company accept the offer if it is made. The Board of Directors' resolution contemplates a series of transactions to effect the business combination, including the tender offer and a series of subsequent procedures to make Lifting Holdings BidCo, Inc. the sole shareholder of the Company, and is made on the assumption that the Company shares are scheduled to be delisted.

Our opinion is not modified in respect of this matter.

Other Information

Other information comprises the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Corporate Auditors and the Board of Corporate Auditors are responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information.

The other information is not included in the scope of our opinion for the consolidated financial statements, and we do not intend to express our opinion on the other information.

Our responsibility in the audit of the consolidated financial statements is to read the other information and consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in the audit, and in addition to such a material inconsistency, to remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Certified Copy of the Accounting Auditor's Report Relating to Statutory Reports

INDEPENDENT AUDITOR'S REPORT

May 19, 2022

The Board of Directors
KITO CORPORATION

PricewaterhouseCoopers Aarata LLC
Tokyo Office

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Junji Ichihara

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Masanori Yagi

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheets, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements, and the accompanying supplementary schedules of KITO CORPORATION (the "Company") for the 78th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Emphasis of Matter

As described in the significant subsequent events, on May 16, 2022, the Company entered into a Business Combination Agreement with Lifting Holdings Limited, Crosby US Acquisition Corp. and Crosby UK Acquisition Ltd. with respect to the business combination of the Company and Crosby Group. At the meeting of the Board of Directors held on the same date, as part of this business combination, with respect to the tender offer by Lifting Holdings BidCo Limited, all of whose shares are directly held by Lifting Holdings Limited, for the common stock and stock acquisition rights of the Company, the Board of Directors resolved to express its opinion in favor of the tender offer and recommend that the shareholders and stock acquisition right holders of the Company accept the offer if it is made. The Board of Directors' resolution contemplates a series of transactions to effect the business combination, including the tender offer and a series of subsequent procedures to make Lifting Holdings BidCo, Inc. the sole shareholder of the Company, and is made on the assumption that the Company shares are scheduled to be delisted.

Our opinion is not modified in respect of this matter.

Other Information

Other information comprises the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Corporate Auditors and the Board of Corporate Auditors are responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information.

The other information is not included in the scope of our opinion for the financial statements and the accompanying supplementary schedules, and we do not intend to express our opinion on the other information.

Our responsibility in the audit of the financial statements and the accompanying supplementary schedules is to read the other information and consider whether there is a material inconsistency between the other information and the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, and in addition to such a material inconsistency, to remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Certified Copy of Audit Report of the Board of Corporate Auditors

AUDIT REPORT

The Board of Corporate Auditors, following review and deliberations on the audit reports made by each Corporate Auditor concerning the execution of duties by Directors for the 78th fiscal term from April 1, 2021 to March 31, 2022, have prepared this Audit Report, and hereby submit it as follows:

1. Auditing Methods and Contents of Audit by Corporate Auditors and Board of Corporate Auditors

- (1) Board of Corporate Auditors established the auditing policies and division of duties, received reports and explanations regarding the implementation status and results thereof from the respective Corporate Auditors, as well as reports and explanations regarding the status of the execution of duties from Directors and the Accounting Auditor, and requested explanations as necessary.
- (2) In accordance with the auditing standards for Corporate Auditors determined by the Board of Corporate Auditors and auditing policies and the division of duties, each Corporate Auditor made efforts to collect information and established auditing circumstances through communication with internal audit staff and other employees, and audits were implemented in the following methods.
 - 1) Each Corporate Auditor attended the Board of Directors meeting and other important meetings to receive reports regarding execution of duties from Directors and employees, and requested explanations as necessary. Each Corporate Auditor also inspected the approved documents and examined the status of operations and conditions of assets at its Head Office and principal offices. Corporate Auditors received from subsidiaries their reports as necessary through communication and information sharing with their Directors and Corporate Auditors.
 - 2) With regard to the resolutions adopted by the Board of Directors regarding the establishment of the system for ensuring that the Directors' duties described in the business report are performed in conformity of laws, regulations and the Articles of Incorporation of the Company as well as the establishment of the system necessary to ensure proper business operations of the Corporate Group that comprises the Company and its subsidiaries as set forth in Paragraphs 1 and 3 of Article 100 of Regulation for Enforcement of the Companies Act and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors, each Corporate Auditor also received reports on a regular basis from Directors and employees regarding its status of design and operation, requested explanations as necessary and expressed their opinions.
 - 3) Corporate Auditors monitored and examined whether or not the Accounting Auditor is maintaining an independent position and conducting the audits appropriately, and also obtained reports and requested explanations as necessary on the status of execution of duties from the Accounting Auditor. In addition, Corporate Auditors were informed by the Accounting Auditor the "the system to ensure the duties are performed properly" (the matters stipulated in the respective items of Article 131 of Regulation on Corporate Accounting) has been implemented in accordance with the "quality management standards concerning audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

In accordance with the aforementioned procedures, the Corporate Auditors reviewed the business report, supplementary schedules thereto, the statutory reports (non-consolidated balance sheets, non-consolidated statement of income, non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements), supplementary schedules thereto, and consolidated statutory reports (consolidated balance sheets, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for the year ended on March 31, 2022.

2. Results of Audit

(1) Results of Audit on Business Report, etc.

- 1) The business report and supplementary schedules thereto fairly present the financial condition of the Company in accordance with the laws, regulations and the Articles of Incorporation of the Company.
- 2) Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation of the Company.
- 3) The contents of resolutions by the Board of Directors with regard to the internal control system are reasonable. Additionally, regarding the description of the relevant internal control system in the business report and the execution of duties by Directors under the relevant internal control system, there are no matters to be pointed out.

(2) Results of audit of the nonconsolidated statutory reports and supplementary schedules thereto

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC are fair and reasonable.

(3) Results of audit of the consolidated statutory reports

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC are fair and reasonable.

May 24, 2022

Board of Corporate Auditors of KITO CORPORATION

Standing Corporate Auditor	Kentaro Yoneyama (seal)
Outside Corporate Auditor	Kiyohito Hamada (seal)
Outside Corporate Auditor	Eiko Hakoda (seal)