

News Release (6409 TSE 1)

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Announcement of Business Performance and Dividend Forecasts

Kito Corporation (the "Company") hereby announces its forecasts for consolidated business performance and dividend for the fiscal year ending March 31, 2017, updating from the previous "undecided" status, which was disclosed with the second quarter financial results of November 14, 2016. As announced September 26, 2016, the Company participated in the bid to acquire Stahl CraneSystems GmbH in Germany (Stahl), and the Company had difficulty in making reasonable assumptions of M&A-related costs, and full-year business forecast that time.

1. Business Performance Forecast Update

(1) Consolidated business forecast for year ending March 2017 (Apr. 1, 2016-Mar. 31, 2017)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	53,000	—	—	—	—
Revised forecast (B)	53,000	3,700	3,200	1,800	78.13
Increase/Decrease (B - A)	0	—	—	—	
Percentage change (%)	0.0	—	—	—	
Original forecast announced on May 13, 2016 (C)	53,000	4,300	4,000	2,400	91.39
Increase/Decrease (B - C)	0	△600	△800	△600	
Percentage change (%)	0.0	△14.0	△20.0	△25.0	
(Ref) Results for FY ended March 2016	55,821	5,221	4,576	2,497	95.13

(2) Background

The Company's forecast of net sales for fiscal 2016 (year ending March 31, 2017) remains unchanged from that announced May 13, 2016, as demand in the Japanese and North American markets has been firm and we expect this situation to continue. As announced September 26, 2016, the Company participated in the bid to acquire Stahl. Full-year forecasts for operating income and other earnings categories had been left as "Undetermined" because of the difficulty of making reasonable assumptions of M&A-related costs, and because this

particular bid was not projected at the beginning of the fiscal year. This process has now concluded, and based on the results we do not expect to acquire the subject company. We have now incorporated 6 billion yen in expenses required for the bid process, and revised the earnings forecast as presented above. Because the Company's performance in the current term has been good and the bid was not initially considered, the effects of the forecast revisions are not considered to affect the medium-term business plan that began this fiscal year.

Of note, the presumed foreign-currency exchange rate for these forecasts has been revised to US\$1=110.0 from US\$105.0, the rate announced May 13, 2016.

2. Dividend Forecast Update

(1) Revisions to the annual dividend forecast for year ending March 2017

	Annual dividend(Yen)		
	End of Q2	Year-end	Annual
Previously announced forecast (A) (announced on November 14, 2016)		(Undetermined)	(Undetermined)
Revised forecast (B)		14.00	14.00
Paid to date	14.00		
Original forecast announced on May 13, 2016	14.00	14.00	28.00
Results for year ended March 2016	14.00	14.00	28.00

(2) Background

The Company announced its year-end dividend for the year ending March 2017 as "Undetermined" in consideration of the expenses related to the bid to acquire Stahl. For dividends from retained earnings, the Company maintains a payout ratio of at least 20% on a consolidated basis. Also in light of the policy of paying a stable and continuing dividend, the Company has decided to set its dividend forecast at 14.00 yen per share, as announced May 13, 2016.

Note: This forecast is based on currently available information. Actual results may differ from this forecast due to variable factors.