

September 26, 2016

Company	KITO CORPORATION
President and CEO	Yoshio Kito
Identification Code	6409 (TSE 1)
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Dissolution of Business and Capital Alliance with KONECRANES PLC (Finland), etc.

The board of directors of KITO Corporation (the “Company”) approved a resolution on September 26, 2016, to dissolve the business and capital alliance with KONECRANES PLC (“KONECRANES”) (the “Alliance”) set forth in the Business and Capital Alliance Agreement with KONECRANES and KONECRANES FINANCE CORPORATION (“KCF”), which are based in Finland.

1. Reason for dissolution of the Business and Capital Alliance

As announced in the press release titled “Business and Capital Alliance with KONECRANES PLC (Finland)” dated March 23, 2010, since March 2010, the Company has formed the Alliance with KONECRANES for further growth of the enterprise value.

As a result of the discussions, the parties have made a conclusion to dissolve the Alliance as of September 26, 2016.

The parties have achieved a certain level of success as a result of the Alliance, however the parties have agreed that for the future, it is better that we promote each strategy of progress flexibly in response to the changes of the business circumstances etc. Therefore, the parties agreed to dissolve the Alliance as of September 30, 2016

The non-exclusive product supply arrangements between KONECRANES and the Company, will continue as is currently.

Even more, as one part of a strategy to strengthen our European operation, the Company has decided that it will participate in the process of bid for acquisition of STAHL CraneSystems GmbH, a subsidiary of KONECRANES, which is located in the Federal Republic of Germany.

2. Details, etc., of the dissolution of the Business and Capital Alliance

(1) Details of the dissolution of the Business and Capital Alliance

The Company will conduct a share repurchase of the shares of the Company through ToSTNeT-3, and KONECRANES and KCF have notified the Company that, due to the dissolution of the Alliance, they intend to tender all 5,950,000 shares of common stock of the Company held by them. Please see “Announcement of Acquisition of Own Shares and Acquisition of Own Shares through

Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) (Acquisition of Own Shares in accordance with the provisions of the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Companies Act and Acquisition of Treasury Shares through ToSTNeT-3)” released today for the details of the share repurchase.

(2) Shares or equity of KONECRANES and KCF held by the Company
Not applicable.

(3) Number and the proportion of shares to the number of issued shares of the Company held by KONECRANES or KCF
Shares of common stock: 5,950,000 shares (ratio to the number of issued shares: 22.00%)

3. Outline of KONECRANES and KCF

(1) Outline of KONECRANES

(1) Company Name	KONECRANES PLC	
(2) Head Office	P.O. Box 661 (Koneenkatu 8) FI-05801 Hyvinkää, Finland	
(3) Representative	President and CEO Panu Routila	
(4) Business Activities	Manufacture and marketing of cranes and crane related equipment and services	
(5) Capital	30 million euros (as of December 31, 2015)	
(6) Established	October 6, 1993	
(7) Major Shareholders and Their Shareholding	HTT KCR Holding Oy Ab 10.9% and other shareholders	
(8) Relationship between KONECRANES and the Company	capital relationship	KONECRANES holds 5,950,000 shares of common stock of the Company [indirectly] (ratio to the number of issued shares: 22.00%).
	personal relationship	There is no personal relationship between KONECRANES and the Company as of today.
	transactional relationship	There is the transactional relationship about Wire Rope Hoist made by KONECRANES between KONECRANES and the Company
	whether or not it is a related party	KONECRANES is a major shareholder of the Company and is a related party.
(9) Consolidated management performance and Consolidated financial position of the listed company for the last three years		

Accounting period	Business term ending in December 2013	Business term ending in December 2014	Business term ending in December 2015
Net Assets	445 million euros	449 million euros	456 million euros
Total Assets	1,482 million euros	1,477 million euros	1,485 million euros
Net Assets per share	7.56 euros	7.75 euros	7.79 euros
Sales	2,100 million euros	2,011 million euros	2,126 million euros
Operating profit	85 million euros	116 million euros	63 million euros
Net profit	49 million euros	75 million euros	31 million euros
Net profit per share	0.85 euros	1.28 euros	0.53 euros
Dividends per share	1.05 euros	1.05 euros	1.05 euros

(2) Outline of KCF

(1) Company Name	KONECRANES FINANCE CORPORATION	
(2) Head Office	P.O. BOX 661, FI-05801 Hyvinkää, Finland	
(3) Representative	Panu Routila President and CEO	
(4) Business Activities	Procurement of operating companies' funds	
(5) Capital	22 million euros	
(6) Established	July 12, 1989	
(7) Major Shareholders and Their Shareholding	KONECRANES PLC 100%	
(8) Relationship between KONECRANES and the Company	capital relationship	KCF holds 5,950,000 shares of common stock of the Company (percentage of the number of issued shares: 22.00%).
	personal relationship	No significant relationship involving personnel.
	transactional relationship	No significant relationship involving business.

	whether or not it is a related party	KCF is a direct major shareholder of the Company and is a related party.	
(9) Management performance and financial position of the company for the last three years			
Accounting period	Business term ending in December 2013	Business term ending in December 2014	Business term ending in December 2015
Net Assets	55 million euros	104 million euros	76 million euros
Total Assets	644 million euros	573 million euros	628 million euros
Net Assets per share	5.02 euros	9.42 euros	6.90 euros
Sales	1.9 million euros	1.7 million euros	2.2 million euros
Operating profit	-0.1 million euros	-0.1 million euros	-0.1 million euros
Net profit	8.9 million euros	57.3 million euros	129.6 million euros
Net profit per share	0.81 euros	5.21 euros	11.78 euros
Dividends per share	0.81 euros	5.21 euros	9.09 euros

4. Schedule

(1) Resolution by board of directors	September 26, 2016
(2) Execution of Agreement to the dissolution of the Business and Capital Alliance	September 26, 2016

5. Outlook

It is expected that dissolution of the Alliance will not have a material effect on the Company's results of operations in the business term ending in March 2017. From the business term ending in March 2019, if it has an effect on the results of operations, as soon as the effect is fixed, timely disclosure will be done.

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