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Identification Code	6409 (TSE 1)
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KITO Establishes Italian Subsidiary to Operate Chain Business Acquired from Weissenfels Tech Chains

On February 1st, 2016, KITO Chain Italia S.r.l., a fully owned subsidiary of KITO Corporation (KITO), acquired the assets of chain and chain related business from the Italian company, Weissenfels Tech Chains S.r.l. (Weissenfels).

KITO established KITO Chain Italia in Italy on January 14, 2016, in preparation for the asset acquisition. The assets were purchased from the Court of Udine, which took control of Weissenfels through bankruptcy proceedings in May 2014.

1. Purpose of the Asset Acquisition

To enhance chain operations for the group, KITO established the wholly owned Italian subsidiary KITO Chain Italia, and through the subsidiary acquired the chain-related operations of Weissenfels, specifically those manufacturing chain and chain-related items. Through KITO Chain Italia, KITO will rebuild the chain related business in Europe, previously handled by Weissenfels, with a view to broadening its offerings of chain and related products and expanding sales.

Weissenfels was a company with almost 500 years of history and a proud manufacturing tradition. Its solid production system, expertise, and experienced, skilled employees were the resources that kept its chain and accessory operations among the best in Europe. KITO will manage the acquired operations to make them an important pillar for the KITO group's European operations.

With the flagship Yamanashi Plant in Japan and US subsidiary Peerless Industrial Group, the acquisition of Weissenfels by KITO Chain Italia places the KITO Group in the top class for production and development of chain and chain-related items worldwide. KITO builds a global production and supply system for chain and chain-related items, making the most of its ability to produce and develop new products, and anticipates significant synergistic effects using the group's extensive sales network.

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2. Outline of Weissenfels

(1) Name	Weissenfels Tech Chains S.r.l.
(2) Location	Tarvisio, Italy
(3) Representative	Paola Cella (Bankruptcy Trustee)
(4) Main Business	Chain and Accessories Manufacturing
(5) Established	1540
(6) Ownership	Court of Udine, since May 2014
(7) Business Scale	Estimated Revenues: EUR 8.5 million (JPY 1,105 million) Estimated Production Volume: 3000 Tons annually Total Asset Value (as of Dec. 31, 2012) *1 EUR 13.5 million (JPY 1,755 million)

*1 Latest available financials before the bankruptcy

(EUR = Euro, converted at EUR 1 = JPY 130)

3. Outline of KITO Chain Italia S.r.l.

(1) Name	KITO Chain Italia S.r.l.
(2) Location	Tarvisio, Italy
(3) Representative	Stephen Bancroft Lister (former Peerless Chain Company employee and Managing Director of Weissenfels)
(4) Ownership	KITO Corporation
(5) Main Business	Chain and Accessories Manufacturing
(6) Established	January 2016

4. Outline of Asset Acquisition Costs

(1) Asset Purchase Price	EUR 6.5 million (JPY 845 million)
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(EUR = Euro, converted at EUR 1 = JPY 130)

5. Outlook

We will report the actual effect of the Asset Acquisition with consolidated financial results for KITO as necessary at an appropriate time.