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Identification Code	6409 (TSE 1)
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## **Kito Announces Purchase of Australian Company PWB Anchor Limited**

On April 29, 2016, Kito Corporation (Kito) executed a transfer of stock from Industrial Development Corporation of South Africa Limited, purchasing all the shares of Australian company Scaw Metals Pty. Ltd. (Scaw Metals), which holds 100% of PWB Anchor Limited (PWBA). PWBA is a leading distributor for Kito in Australia, selling hoists and other Kito brand products, and manufactures chain products.

### **1. Purpose of the acquisition**

The purpose of the acquisition of Scaw Metals is to enhance the operations of Kito in Australia by taking over the PWBA sales network and chain production operation there.

Under the Scaw Metals umbrella, PWBA brings an exceptionally strong Australian sales base and a 30-year relationship with Kito as its exclusive Australian distributor. Going forward, Kito and its Group will apply its business resources effectively and, through the PWBA network, expand sales opportunities for its hoists and other products.

With PWBA's chain-production operations, alongside those of the Yamanashi Plant in Japan, US subsidiary Peerless and other facility, Kito is building 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.

## 2. Outline of Scaw Metals

1. Name	Scaw Metals Pty. Ltd.		
2. Location	Bundoora, Victoria, Australia		
3. Representative	Andrew McDowell		
4. Main Business	Holding company for PWBA and others		
5. Paid-in capital	AUD 5,095,009		
6. Established	March, 1923		
7. Major shareholders, shareholding ratios	Industrial Development Corporation of South Africa Limited 100%		
8. Performance and financial position over the past three years			
Fiscal year ended	Dec. 31, 2012 *1	Mar. 31, 2014	Mar. 31, 2015
Consolidated total assets	AUD 26 million (JPY 2,210 million)	AUD 26 million (JPY 2,210 million)	AUD 25 million (JPY 2,125 million)
Consolidated net assets	AUD 20 million (JPY 1,700 million)	AUD 19 million (JPY 1,615million)	AUD 19 million (JPY 1,615 million)
Consolidated revenues	AUD 28 million (JPY 2,380 million)	AUD 24 million (JPY 2,040 million)	AUD 22 million (JPY 1,870 million)
9. Holding structure			
<pre> graph TD     A[Scaw Metals Pty. Ltd.] --- 100%  B[Anchor Nominees Pty. Ltd.]     B --- 100%  C[PWB Anchor Pty. Ltd.]     subgraph HoldingCompany [Exclusive holding company]         A         B     end             </pre>			

\*1: Starting with FY2013, the fiscal year ends in March rather than December.  
(AUD = Australian dollar, converted at AUD 1 = JPY 85.0)

## 3. Outline of PWB Anchor

1. Name	PWB Anchor Limited
2. Location	Bundoora, Victoria, Australia
3. Representative	Andrew McDowell
4. Main Business	Distributor in hoists, chain and related products; chain production
5. Established	March 1923

### 4. Outline of seller of shares

1. Name	Industrial Development Corporation of South Africa Limited
2. Location	19 Fredman Drive, Sandown, Sandton, 2146, Republic of South Africa
3. Established	October, 1940
4. Representative	Geoffrey Qhena
5. Main business	Financing for industrial development projects across industries within and outside South Africa.

### 5. Outline of stock purchase agreement

1. Shares held before purchase	0 shares, voting rights 0.0%
2. Shares purchased	5,095,009 shares
3. Purchase costs	Estimated purchase price for Scaw shares: AUD 5.5 million (JPY468 million) Estimated advisory fees, etc.: AUD 0.5 million (JPY43 million) Total (estimate): AUD 6.0 million (JPY 511 million)
4. Shares held after purchase	5,095,009 shares    Voting rights 100.0%

(AUD = Australian dollar, converted at AUD1=JPY85.0)

### 6. Outlook

We will report the actual effect of the share purchase with consolidated financial results for Kito as necessary at an appropriate time.