This is the English translation of the original Japanese-language Business Results of Kito Corporation (the Company) for the fiscal year ending March 31, 2016 and is provided for reference purposes only. Readers are advised that the Company does not guarantee the accuracy of the content contained in this report. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Business Results for the Nine Months Period Ended December 31, 2015 of the Fiscal Year Ending March 31, 2016 [Japan GAAP] (Consolidated)

February 12, 2016

Company **KITO CORPORATION** Listed on the TSE 1st Section
Stock Code 6409 URL: http://kito.com/
Representative Yoshio Kito, President & CEO
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Expected date of filing of annual securities report: February 12, 2016 Scheduled date to begin dividend payments: —
Preparation of supplementary financial document: Yes
Results briefing: None

(Figures of less than ¥1 million have been omitted.)

1. Consolidated business results for the nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015) of fiscal 2015 (April 1, 2015 to March 31, 2016)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 2015	39,536	20.3	2,876	56.1	2,465	29.4	1,185	(6.6)
Nine months ended Dec. 2014	32,868	18.3	1,842	(6.7)	1,904	(11.0)	1,269	(0.9)

(Note) Comprehensive income Nine months ended Dec. 2015: ¥837 million (down 72.6%)
Nine months ended Dec. 2014: ¥3,060 million (up 10.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 2015	45.17	45.04
Nine months ended Dec. 2014	48.58	48.31

(Note) Effective October 1, 2014, Kito conducted a 2-for-1 stock split of its common stock. Accordingly, net income per share and diluted net income per share are calculated on the assumption that the stock split was completed as of the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2015	61,653	25,723	40.1
As of March 31, 2015	63,183	25,626	38.9

(Reference) Shareholders' equity As of Dec. 31, 2015: ¥24,725 million As of March 31, 2015: ¥24,576 million

2. Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Annual
FY2014	Yen —	Yen 25.00	Yen —	Yen 12.50	Yen 37.50
FY2015	—	14.00	—		
FY2015 (forecast)				14.00	28.00

(Note) Revisions from recently announced dividend forecast: None

3. Forecast of consolidated business results for fiscal 2015 (April 1, 2015 to March 31, 2016)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2015	56,700	13.5	4,600	35.5	4,300	25.6	2,400	18.4	91.39

(Note) Revisions to recent announcement of business-result forecasts: Yes
Please refer to the "Explanation of performance forecasts and other forward-looking statements, including consolidated business forecasts" on page 5 of the supplementary materials.

※ **Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

New: — Excluded: —

(2) The application of special accounting treatment for the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatements

(a) Changes in accounting policies due to revisions of accounting standards: Yes

(b) Changes in accounting policies other than above: None

(c) Changes of accounting estimates: None

(d) Restatements: None

(Note) For details, please refer to "2. Matters regarding Summary Information (Notes) (3) Changes in accounting policies, accounting estimates, and restatements" on page 6 of the supplementary materials.

(4) Number of shares issued (common stock)

(a) Number of shares issued at the end of period (treasury stock included)

As of December 31, 2015:	27,048,200 shares
As of March 31, 2015:	27,048,200 shares

(b) Number of treasury stock at the end of period

As of December 31, 2015:	787,016 shares
As of March 31, 2015:	815,016 shares

(c) Average number of shares over the period

As of December 31, 2015:	26,250,073 shares
As of December 31, 2014:	26,131,720 shares

(Note) Effective October 1, 2014, Kito conducted a 2-for-1 stock split of its common stock. Accordingly, the number of shares issued (common stock) is calculated on the assumption that the stock split was completed as of the beginning of the previous fiscal year.

*** Indication of the status of execution of audit procedures**

This financial summary is not subject to audit procedures pursuant to the Financial Instruments and Exchange Act of Japan. However, audit procedures have been completed as of the date of report disclosure.

*** Explanation regarding the appropriate use of business forecasts and other special instructions**

The performance forecasts and other forward-looking statements presented in this report are based on information currently available and certain assumptions deemed to be reasonable, and are not to be read as guarantees of future performance by Kito. Actual performance, etc., may differ substantially due to various factors. For preconditions of the assumptions and special instructions regarding the appropriate use of business forecasts, please refer to "(3) Explanation of performance forecasts and other forward-looking statements, including consolidated business forecasts" on page 5 of the supplementary materials.

Contents of Supplementary Materials

1．Qualitative Information on Quarterly Business Results

(1) Explanation of results of operations

For the nine-month period from April 1 to December 31, 2015, of the fiscal year ending March 31, 2016, the operating environment surrounding the Kito Group was characterized by a rapid deterioration in the world economy and spreading uncertainty in non-Japanese markets. In Japan, although the gradual recovery trend in private capital investment continued, corporations remained cautious about making investments and in some sectors, investments were postponed. In North America, although overall demand was firm, the drop in crude oil prices and appreciation of the U.S. dollar restrained capital investment in the energy industries and manufacturing. The Chinese economy continued to decelerate and as a result, growth momentum in other Asian countries weakened and there were no signs of recovery.

The Kito Group continued to implement its current five-year, medium-term management plan that began in April 2011. The objectives of the plan are (1) further development of its business activities in emerging markets, principally in Asia, (2) establishing its product lineup, (3) further development of its global production and procurement systems, and (4) further strengthening of its crane business operational systems. As a consequence of changes in the external environment, including the recent slowdown in the Chinese economy and weakening of capital investment in the Asian region, the Group has responded flexibly by adopting measures that include shifting of resources to business operations in North America and stronger profit management to attain the objectives of the medium-term plan.

As a result, consolidated net sales for the nine-month period amounted to ¥39,536 million (an increase of 20.3% over the same period of the previous fiscal year), in part because of the acquisition of Peerless Industrial Group, Inc. (hereinafter, Peerless). Consolidated operating income was ¥2,876 million (an increase of 56.1% over the same period of the previous year), and consolidated ordinary income was ¥2,465 million (an increase of 29.4% year on year). On the other hand, net income attributable to the owners of the parent company was ¥1,185 million (a decrease of 6.6%) because of the reporting of an extraordinary loss of ¥120 million due to additional cost for quality control for a crane project at an overseas subsidiary.

Principal indicators of performance by segment are as follows. The Kito Group manages the businesses of the parent company and consolidated subsidiaries by geographic segment.

Segment	Net Sales YoY change in %	Operating Income (Loss) YoY change in %
Japan	¥18,715 million up 8.2%	¥4,177 million up 31.7%
Americas	¥20,081 million up 43.1%	¥556 million down 24.8%
China	¥6,260 million up 0.5%	¥755 million up 25.6%
Asia (excluding Japan and China)	¥3,037 million up 2.1%	¥(179) million ¥437 million of operating loss for the same period of previous fiscal year
Europe	¥1,106 million down 11.1%	¥17 million up 0.1%

Japan

Sales recorded in Japan were ¥18,715 million (an increase of 8.2% year on year). Factors accounting for this were continued private capital investment and steady orders for electric hoists, cranes, and other products. Operating income amounted to ¥4,177 million (an increase of 31.7%). Factors accounting for this were the contributions made by activities to increase productivity at factories and improvement in export profitability.

Americas

In the United States, the consolidation of Peerless, a subsidiary acquired previously, made a major contribution to consolidated performance. Sales in the Americas rose to ¥20,081 million (an increase of 43.1% year on year) as a whole. Excluding Peerless, on a local currency basis, sales of existing businesses declined 2.6% in the United States and increased 22.8% in Canada. Note that Peerless was acquired through our subsidiary in the United States. This subsidiary reported goodwill amortization costs of ¥244 million and other expenses related to the acquisition, which were borne by the Group’s U.S. subsidiary. As a result, operating income in the Americas amounted to ¥556 million (a decrease of 24.8% from the previous fiscal year).

China

The Chinese economy slowed and demand was generally weak but due to effects of foreign currency exchange rate fluctuations, on a yen basis, sales amounted to ¥6,260 million (an increase of 0.5% year on year). As a result of improved profitability due to cost reductions, operating income was ¥755 million (an increase of 25.6%).

Asia (excluding Japan and China)

As a result of the effects of the slowdown in the Chinese economy, growth in regional economies weakened and demand for investment declined. However, as a consequence of improvement in profitability and a policy of expanding maintenance and other service businesses, sales amounted to ¥3,037 million (an increase of 2.1%), and the operating loss diminished to ¥179 million (compared with an operating loss of ¥437 million in the same period of the previous year).

Europe

In the midst of rising uncertainties, including the decline in the price of crude oil and conditions in neighboring countries, sales in this segment amounted to ¥1,106 million (a decrease of 11.1% year on year), and operating income rose to ¥17 million (a gain of 0.1%).

(2) Explanation of financial position

1. Assets, liabilities, and net assets

Assets

Total assets were ¥61,653 million at the end of the third quarter under review, representing a decrease of ¥1,530 million from the level at the end of the previous consolidated fiscal year on March 31, 2015. Factors accounting for this included a decline of ¥2,440 million in notes and accounts receivable-trade, an increase in merchandise and finished goods of ¥873 million, a rise of ¥786 million in work in process, and a decrease in goodwill of ¥830 million,.

Liabilities

Total liabilities amounted to ¥35,929 million, a decline of ¥1,627 million from March 31, 2015. This was due to a decrease in accrued expenses of ¥682 million, an increase in short-term loans payable of ¥548 million, a decline in income taxes payable of ¥485 million, and a decrease in long-term loans of ¥550 million.

Net Assets

Net assets stood at ¥25,723 million, which was ¥97 million higher than at March 31, 2015. This was due to an increase in retained earnings of ¥490 million, which was partially offset by a decline in the foreign currency translation adjustment account of ¥433 million.

(3) Explanation of performance forecasts and other forward-looking statements, including consolidated business forecasts

Kito announced revisions to its forecast of consolidated business results, made on May 15, 2015, for fiscal 2015 (April 1, 2015 to March 31, 2016), due to the reasons below:

	Net sales	Operating income	Ordinary Income	Net income attributable to owners of parent	Net income per share
Previously announced forecast (A)	60,000	5,500	5,000	3,000	114.36
Revised Forecast (B)	56,700	4,600	4,300	2,400	91.39
Increase/Decrease (B - A)	(3,300)	(900)	(700)	(600)	―
Percentage change (%)	(5.5%)	(16.4%)	(14.0%)	(20.0%)	―
FY2014 results	49,968	3,395	3,423	2,026	77.52

Demand continues to hold firmly in Japanese market, however, in overseas, we have seen negative impact on our profitability, due to drop in investment from energy industries, pushed down by lowering oil price, slowdown of Chinese economy, and its effect on Asian region. An extraordinary loss of ¥120 million was reported due to additional cost for quality control at a overseas subsidiary.

2． Matters regarding Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

There are no relevant matters to be noted.

(2) Adoption of special accounting treatment measures in the preparation of quarterly consolidated financial statements

There are no relevant matters to be noted.

(3) Changes in accounting policies, accounting estimates, and restatements

Changes in accounting policies:

Application of the accounting standard for business combinations

Beginning with the first quarter in the current fiscal year, the Company has applied the “Accounting Standards for Business Combinations” (Corporate Accounting Standard No. 21, issued September 13, 2013; hereinafter, “Business Combinations Accounting Standards”), “Accounting Standards for Consolidated Financial Statements” (Corporate Accounting Standard No. 22, issued September 13, 2013; hereinafter, “Consolidated Accounting Standards”), and “Accounting Standards for Business Divestitures” (Corporate Accounting Standard No. 7, issued September 13, 2013; hereinafter, “Business Divestitures Accounting Standards”). Under these standards, for a subsidiary that is still controlled, changes in the Company’s interest in equity of the subsidiaries is accounted for in capital surplus, and expenses in connection with the acquisition of shares are treated as an expense in the consolidated fiscal year when they were incurred. Note that for business combinations that occur after the beginning of the first quarter in the current fiscal year, the allocation of the cost of the acquisition, as confirmed by provisional accounting procedures, is reflected in the financial statements for the quarter in which the acquisition takes place. In addition, changes in the quarterly statements of net income and changes in presentation (movement from minority interests to non-controlling interests) have been made. To reflect this method of presentation, the financial statements for the third quarter in the previous fiscal year and the full previous fiscal year have been reclassified.

Regarding Accounting Standards for Business Combinations, the provisional procedures contained in Accounting Standards for Business Combinations 58-2 (4), Accounting Standards for Consolidated Financial Statements 44-5 (4), and Accounting Standards for Business Divestitures 57-4 (4) have been followed and will be applied from the beginning of the first quarter of the current fiscal year and into future years.

This change in accounting standards had no impact on the Company’s profit and loss.

Application of Provisional Accounting Standards for Treatment of Overseas Subsidiaries in the Preparation of Consolidated Financial Statements

The Company has applied the “Provisional Accounting Standards for Treatment of Overseas Subsidiaries in the Preparation of Consolidated Financial Statements” (Practical Guidance Report No. 18, March 26, 2015) beginning with the first quarter of the current fiscal year. The Company has followed the provisional procedures for applying this practical guidance, and overseas subsidiary Peerless Industrial Group, Inc. based on the revised (as of January 2014) FASB Accounting Standards for Codification Topic 350 “Intangible Assets—Goodwill, Etc.,” has selected the method of amortizing the relevant goodwill over the remaining period for amortization in the consolidated financial statements.

This change in accounting standards had no impact on the Company’s profit and loss.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	9,792	9,283
Notes and accounts receivable-trade	12,593	10,153
Merchandise and finished goods	11,638	12,511
Work in process	1,798	2,584
Raw materials and supplies	1,669	1,558
Other current assets	3,041	3,354
Allowance for doubtful receivables	(55)	(60)
Total current assets	40,478	39,385
Fixed assets		
Property and equipment		
Buildings and structures (net)	4,901	4,813
Machinery, equipment, and vehicles (net)	4,797	5,105
Others (net)	2,461	2,547
Total property and equipment	12,161	12,466
Intangible assets		
Goodwill	4,012	3,181
Other intangible assets	4,997	5,120
Total intangible assets	9,009	8,302
Investments and other assets		
Deferred tax assets	532	550
Other investments and other assets	1,000	948
Total investments and other assets	1,532	1,498
Total fixed assets	22,703	22,267
Deferred assets	1	0
Total assets	63,183	61,653

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,113	6,105
Short-term loans payable	4,319	4,868
Accrued expenses	2,750	2,068
Income taxes payable	1,013	527
Provisions	788	964
Other current liabilities	2,107	1,335
Total current liabilities	17,093	15,868
Long-term liabilities		
Long-term loans payable	16,025	15,475
Provision for directors' retirement benefits	181	174
Net defined benefit liability	2,431	2,382
Other long-term liabilities	1,825	2,027
Total long-term liabilities	20,464	20,061
Total liabilities	37,557	35,929
Net assets		
Shareholders' equity		
Capital stock	3,976	3,976
Capital surplus	5,219	5,226
Retained earnings	13,477	13,968
Treasury stock	(367)	(354)
Total shareholders' equity	22,307	22,817
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	1	0
Deferred gains or losses on hedges	(56)	(16)
Foreign currency translation adjustment	2,643	2,209
Remeasurements of defined benefit plans	(318)	(285)
Total accumulated other comprehensive income	2,269	1,908
Subscription rights to shares	30	33
Non-controlling interests	1,020	964
Total net assets	25,626	25,723
Total liabilities and net assets	63,183	61,653

(2) Quarterly consolidated statements of income/Quarterly consolidated statements of comprehensive Income

Quarterly consolidated statements of income

(Millions of yen)

	Nine Months Ended Dec. 31, 2014 (Apr. 1, 2014 to Dec. 31, 2014)	Nine Months Ended Dec. 31, 2015 (Apr. 1, 2015 to Dec. 31, 2015)
Net sales	32,868	39,536
Cost of sales	21,493	25,394
Gross profit	11,374	14,141
Selling, general, and administrative expenses	9,532	11,264
Operating income	1,842	2,876
Non-operating income		
Interest income	34	21
Dividends income	0	0
Foreign exchange gains	117	—
Other	157	145
Total non-operating income	309	167
Non-operating expenses		
Interest expense	183	357
Foreign exchange loss	—	104
Other	64	115
Total non-operating expenses	247	578
Ordinary income	1,904	2,465
Extraordinary income		
Gain on sale of noncurrent assets	316	—
Total extraordinary income	316	—
Extraordinary loss		
Cost for quality control	—	120
Total extraordinary loss	—	120
Income before income taxes	2,221	2,344
Income taxes	944	1,103
Net income for the period	1,277	1,241
Net income attributable to non-controlling interests	7	55
Net income attributable to owners of parent	1,269	1,185

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine Months Ended Dec. 31, 2014 (Apr. 1, 2014 to Dec. 31, 2014)	Nine Months Ended Dec. 31, 2015 (Apr. 1, 2015 to Dec. 31, 2015)
Net income for the period	1,277	1,241
Other comprehensive income		
Valuation difference on available-for-sale securities	5	(1)
Deferred gains or losses on hedges	—	40
Foreign currency translation adjustment	1,874	(475)
Remeasurements of defined benefit plans, net of tax	(97)	33
Total other comprehensive income	1,782	(403)
Quarterly comprehensive income	3,060	837
(Comprehensive income attributable to):		
Owners of the parent	2,548	824
Non-controlling interests	512	13

(3) Notes to quarterly consolidated financial statements

(Notes regarding ongoing concern assumption)

There are no relevant matters to be noted.

(Notes in the event of material changes in the amount of shareholders' equity)

There are no relevant matters to be noted.

(Segment information)

I. Third quarter cumulative period of the fiscal year ended March 31, 2015 (April 1, 2014 to December 31, 2014)

1. Information on the amounts of net sales and on the income or loss of reportable segments

(Millions of yen)

	Reportable segments					Total	Adjustment (Note 1)	Consolidated financial statement amount (Note 2)
	Japan	The Americas	China	Asia	Europe			
Net sales								
Net sales to outside customers	8,679	13,961	6,041	2,945	1,240	32,868	—	32,868
Net internal sales or transfers among segments	8,619	68	186	29	3	8,907	(8,907)	—
Total	17,299	14,029	6,227	2,975	1,244	41,775	(8,907)	32,868
Segment income (loss)	3,173	739	601	(437)	17	4,094	(2,251)	1,842

Notes: 1. The segment income (loss) adjustment of ¥(2,251) million includes transactions offset among segments of ¥(708) million and Company-wide expenses that are not allocated to respective reportable segments of ¥(1,542) million. Company-wide expenses are expenses mostly related to the general affairs, finance & accounting, and corporate planning departments of the parent company.

2. The segment income or loss is reconciled with the operating income listed in the quarterly consolidated financial statements.

2. Information on assets of reportable segments

During the first half of the fiscal year ended March 31, 2015, Kito acquired all of the shares of Peerless Industrial Group, Inc. This company and its three subsidiaries have been included in the scope of Kito's consolidation.

As a result, an amount of assets included in the Americas component of reportable segments has increased by ¥20,836 million as of December 31, 2014 compared with the balance as of the end of the previous fiscal year.

3. Information on the impairment loss or goodwill of fixed assets of reportable segments

(Major changes in goodwill)

The Company acquired all of the shares of Peerless Industrial Group, Inc. in the Americas. The company and its three subsidiaries have been included in the scope of Kito's consolidation. The amount of goodwill increase attributable to this acquisition and inclusion in the scope of consolidation was ¥5,349 million for the third quarter cumulative period of the fiscal year ended March 31, 2015. The amount of goodwill is calculated on a provisional basis.

II. Third quarter cumulative period of the fiscal year ending March 31, 2016 (April 1, 2015 to December 31, 2015)

1. Information on the amounts of net sales and on the income or loss of reportable segments

(Millions of yen)

	Reportable segments					Total	Adjustment (Note 1)	Consolidated financial statement amount (Note 2)
	Japan	The Americas	China	Asia	Europe			
Net sales								
Net sales to outside customers	9,437	20,053	5,930	3,007	1,106	39,536	—	39,536
Net internal sales or transfers among segments	9,278	27	329	30	—	9,665	(9,665)	—
Total	18,715	20,081	6,260	3,037	1,106	49,201	(9,665)	39,536
Segment income (loss)	4,177	556	755	(179)	17	5,328	(2,451)	2,876

Notes: 1. The segment income (loss) adjustment of ¥(2,451) million includes transactions offset among segments of ¥(767) million and Company-wide expenses that are not allocated to respective reportable segments of ¥(1,683) million. Company-wide expenses are expenses mostly related to the general affairs, finance & accounting, and corporate planning departments of the parent company.

2. The segment income or loss is reconciled with the operating income listed in the quarterly consolidated financial statements.