

March 23, 2010

Business and Capital Alliance with Konecranes Plc (Finland)

The board of directors of KITO Corporation approved a resolution on March 23, 2010 to enter into a business and capital alliance agreement (the "Business and Capital Alliance Agreement") with KONECRANES PLC ("KONECRANES") and KONECRANES FINANCE CORPORATION ("KCF"), which are based in Finland.

1. Background of the Business and Capital Alliance

KITO is a prominent supplier of hoists, cranes and other equipment for handling materials. The company's goal is to become "the truly global leader as hoists manufacturer" that provides customers with products and services of the highest quality; KITO serves customers worldwide. Particularly, in Japan and North America, KITO is recognized as a top manufacturer providing products, including chain hoists and lever hoists with the highest quality. In China, where the economy is expanding rapidly, KITO has grown to leading manufacturer in the rope hoist market.

With global operations, KONECRANES (which is based in Finland and listed on the Nasdaq OMX Helsinki) is the world's largest manufacturer and supplier of cranes, crane-related equipment and hoists with a strong service focus, and shows its strength especially in the market for mid and large scale cranes.

KITO and KONECRANES have agreed to enter into a business alliance based on the belief that sharing the respective resources of the two corporate groups will complement both businesses and contribute to their respective growth. The two companies also share a similar management philosophy. Therefore, KITO and KONECRANES, as strategic partners, have come to view a business alliance with each other as the best choice, and have agreed to enter into such an alliance. Furthermore, to reinforce this business alliance, the two companies have agreed to form a capital alliance as well.

Upon formation of the business and capital alliance, KITO and KONECRANES will pursue the growth of each enterprise value through complementary cooperation between the two to boost the synergy of the alliance while at the same time retaining independence based on mutual respect and equal partnership.

2. Business alliance

Under this alliance, KITO and KONECRANES will pursue synergies through complementary strength between each other in products and regions for their respective growth strategies, while the two companies will strengthen their global partnership as equal partners and take steps aiming at effectively utilizing the resources of each corporate group.

① Alliance for product strategy

The two companies will supply each other with product groups where one has greater expertise. The two companies also plan to offer one-stop services in a manner that matches the differing needs of individual customers and geographic regions. More specifically, KONECRANES will receive the non-exclusive right to sell KITO manual products (chain hoists and lever hoists) using the KONECRANES brand. Similarly, KITO will non-exclusively sell under its own brand rope hoists manufactured by KONECRANES. These distribution agreements may be extended in stages to cover other products as well.

② Alliance for regional strategies

By making effective use of each other's regional-networks, the two companies expect to further expand their presence in many regions. KITO plans to increase sales especially in Europe that currently accounts for a relatively small share of its sales. KONECRANES plans to use KITO's distribution network to increase its sales in East Asia and North America.

③ Transferring hoist business of MHS Konecranes to Kito

As part of realizing the two alliances above, with respect to the Japanese market, KITO and KONECRANES have entered into a memorandum of understanding regarding transferring hoist business of MHS KONECRANES Co. Ltd. (having its principle office in Shinagawa-ku, Tokyo; "MHS") which is a joint venture between KONECRANES and MEIDENSHA CORPORATION, to Kito. Transferring the hoist business of MHS will enable KITO, which has a healthy market share on the market of chain hoists and lever hoists in Japan, to integrate the function of MHS, a recognized rope hoist manufacturer in Japan, expand product lineup and establish a framework for one stop service. By doing so, KITO is confident that it will achieve much greater customer satisfaction and trust. KITO and KONECRANES aim to transfer the hoist business of MHS by no later than July 2010 by certain legal methods after KONECRANES directly or indirectly obtains a 100% stake in MHS. Konecranes will retain its end-user crane and service business in Japan.

④ Alliance for co-procurement

KITO and KONECRANES will examine the feasibility of conducting joint purchasing activities in order to cut costs. In addition, the two companies plan to start supplying each other with many types of major parts where one has greater expertise.

⑤ Management of Alliance

To maximize the benefits of this business alliance, KITO and KONECRANES will establish a steering committee made up of leaders from both companies in order to engage in mutual consultation about matters subject to the business alliance. The management of the steering committee will be aligned with applicable competition laws and regulations.

3. Capital alliance

On March 24, 2010, KCF, a wholly owned subsidiary of KONECRANES, will purchase a total of 29,750 shares of common stock of KITO (as of today, 22.00% of all shares issued by KITO). KCF will purchase 28,147 shares (as of today, 20.81% of all shares issued by KITO) from CARLYLE JAPAN PARTNERS, L.P. ("CJP"), which has the largest number of shares in KITO, and 1,603 shares (as of today, 1.19% of all shares issued by KITO) from CJP CO-INVESTMENT, L.P. ("CCI") through off-market private transactions.

Prior to this share transfer, as announced in the "Announcement of Acquisition of KITO Shares and Acquisition of KITO Shares through the Tokyo Stock Exchange Trading Network System (ToSTNeT-3)", which was released today, KITO will place an order to acquire up to 13,523 shares (as of today, 10.00% of all shares issued by KITO) of KITO shares through Tokyo Stock Exchange Trading Network System (ToSTNeT-3) at 8:45 a.m. on March 24, 2010. CJP and CCI have notified KITO that they intend to sell a total of 13,523 shares of common stock of KITO by placing orders to sell all or part of their own KITO shares. As a result, KITO's major shareholders and top shareholder will be changed.

4. Outline of business and capital alliance partner (as of December 31, 2009)

① Company Name	KONECRANES PLC
② Head Office	P.O. Box 661 (Koneenkatu 8) 05801 Hyvinkää, Finland
③ Established	October 6, 1993
④ Representative	Pekka Lundmark President and CEO
⑤ Business Activities	Manufacture and marketing of cranes and crane related equipment and service
⑥ Capital	30.1 million euros(as of December 31, 2009)
⑦ Shares Issued	58,813,000 shares
⑧ Major Shareholders and Their Shareholding Ratios	Htt 2 Holding Ltd 5,06% and other shareholders
⑨ No. of Employees	9,782 (consolidated)
⑩ Net Assets	407 million euros (consolidated; as of December 31, 2009)
⑪ Total Assets	1,060 million euros (consolidated; as of December 31, 2009)
⑫ Sales	1,671 million euros (consolidated; from January 1 to December 31, 2009)
⑬ Operating profit	98 million euros (consolidated; from January 1 to December 31, 2009)
⑭ Relationship with KITO	KONECRANES PLC has no capital, personal or transactional relationship with KITO

5. Schedule

March 23, 2010	Resolution by board of directors Signing of Business and Capital Alliance Agreement Signing of MOU regarding MHS business transfer
March 24, 2010 (expected)	Share repurchase through Tokyo Stock Exchange Trading Network System (ToSTNeT-3) KITO share transfer from CJP and CCI to KCF

6. Outlook

It is expected that this business and capital alliance will not have a material effect on KITO's results of operations in the fiscal year ending in March 2010. An announcement will be made promptly if any effect on performance in the fiscal year ending in March 2011 or afterward is determined.