

October 20, 2010

KITO CORPORATIONCorporate Management Division
Tel: +81-(0)3-5371-7345**Acquisition of Hoist Business of MHS Konecranes through Asset Purchase**

As was announced in the “Business and Capital Alliance with KONECRANES PLC (Finland)” dated March 23, 2010, KITO Corporation and KONECRANES PLC (“KONECRANES”) entered into a memorandum of understanding regarding transferring the hoist business of MHS KONECRANES Co., Ltd. (having its principle office in Shinagawa-ku, Tokyo; “MHS”), a subsidiary 100% owned by KONECRANES, and to hold discussions for the definitive agreement. As a result, KITO and MHS entered into a definitive agreement on October 20, 2010 concerning the business transfer through asset purchase. Based on this agreement, KITO will purchase necessary assets related to the hoist business of MHS, and continue the hoist and related spare parts business currently operated by MHS.

1. Background of the asset purchase

KITO is a leading supplier of hoists, cranes and other equipment for material handling. KITO aspires 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 the leading manufacturer in the rope hoist market.

KITO and KONECRANES have agreed to enter into a business and capital alliance (For details, please refer to “Business and Capital Alliance with KONECRANES PLC (Finland)” dated March 23, 2010) as the sharing of the two corporate groups’ resources will complement both businesses and the two companies share a similar management philosophy.

As a part of the alliance, with respect to the Japanese market, KITO and KONECRANES entered into a memorandum of understanding regarding transferring the hoist business of MHS, a subsidiary 100% owned by KONECRANES, and held discussions for the definitive agreement. As a result, KITO and MHS entered into a definitive agreement on October 20, 2010 concerning the business transfer through asset purchase. Based on this agreement, KITO will purchase necessary assets related to the hoist business of MHS, and continue the hoist and related spare parts business currently operated by MHS. The business transfer through the asset purchase aims to integrate the function of KITO, which has a leading market share in the market of chain hoists and lever hoists in Japan, and the function of MHS, a recognized rope hoist manufacturer in Japan, so that KITO will expand product lineup and enhance its one stop services.

2. Description of the asset purchase

- (1)Purchase of assets (inventories and tangible fixed assets) required for the hoist business
- (2)Transfer of documents required for the hoist business
- (3)Transfer of employees related to the hoist business

3. Outline of partner

- (1) Name : MHS KONECRANES Co., Ltd.
- (2) Head office : 2-5-15 Osaki, Shinagawa-ku, Tokyo
- (3) Representative : Yoshiki Asano
- (4) Business activities : Manufacture and marketing of hoist and crane facilities and logistics products
- (5) Capital : 400 million yen (year ended December 2009)
- (6) Established : April 1, 1999
- (7) Net assets : 389 million yen (year ended December 2009)
- (8) Total assets : 1,019 million yen (year ended December 2009)
- (9) No. of employees : 54
- (10) Shareholder and shareholding ratio : KONECRANES FINANCE CORPORATION 100%

(11) Relationship with KITO:

Capital: Since MHS is a wholly owned subsidiary of KONECRANES FINANCE CORPORATION, MHS will be a subsidiary of KITO's other affiliated company. There are no personnel or business relationships between KITO and MHS.

4. Schedule

- October 18, 2010 Resolution by board of directors
- October 20, 2010 Signing of asset transfer agreement
- November 1, 2010 Date of transfer of assets (scheduled)

5. Outline of accounting procedure

This transaction's accounting procedure falls under the category of acquisition.

6. Business Outlook

KITO's outlook for the year ending March 2011 remains unchanged as the Company believes that the transfer of the hoist business will not have a material effect on its results of operations.

After the date of transfer of assets, KITO will continue the hoist business. KITO will conduct sales to customers through its wholly owned subsidiary, KITO Hoist Service Co., Ltd. (having its principle office in Shinjuku-ku, Tokyo).