

May 12, 2011

KITO CORPORATION

Corporate Management Division

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Notice of Issuance of Stock Options (Stock Acquisition Rights) (Submission of the Proposal at the Annual General Meeting of Shareholders)

KITO CORPORATION. at the board of directors meeting held on May 12, 2011 approved a resolution to issue stock acquisition rights as stock options to directors and executive officers of KITO as well as to give the Board the authority to determine the items concerning solicitation of stock acquisition rights in accordance with Articles 236, 238 and 239 of the Company Law. The resolution will be submitted at the 67th annual general meeting of shareholders (“the shareholders meeting” hereafter) to be held on June 22, 2011.

1. Reason for need to solicit individuals to receive stock acquisition rights at favorable terms
The purpose is to motivate KITO’s directors and executive officers to improve the Company’s performance and increase corporate value.
2. Individuals eligible to receive the stock acquisition rights
KITO’s directors and executive officers
3. Description of stock acquisition rights that can determine the items concerning solicitation of stock acquisition rights based on the items to be decided at the shareholders meeting and maximum number, etc.
 - Maximum number of stock acquisition rights that can determine the items based on the delegation
The maximum number of stock acquisition rights is 1,000 rights.
 - Exercise period for stock acquisition rights
The exercise period will be determined by KITO board of directors within the period from 2 years after the date of resolution of issuance of Stock Options by KITO board of directors to 10 years after the resolution of issuance date.