

KITO CORPORATION
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Notice Concerning Establishment of Subsidiary in Brazil

KITO Corporation announces that it has resolved to establish a subsidiary in Brazil at the board of directors meeting held on April 19, 2011 (Tuesday). Details are as follows.

1. Purpose of establishment

KITO Group is a prominent supplier of hoists, cranes and other equipment for handling materials. The company's goal is to become "the truly global No.1 hoists manufacturer" that provides customers with products and services of the highest priority; KITO serves customers worldwide.

To realize the goal, KITO formulated a midterm management plan that covers the next five years starting from 2011. As announced in the "KITO Midterm Management Plan~Five-year Plan from 2011 to 2015~" dated January 20, 2011, KITO decided to aim for sales of 100 billion yen by increasing sales to 58 billion yen through organic growth in current operations and promoting aggressive M&As.

As a regional strategy of the plan, North America and China will be the primary sources of growth for KITO over the next few years. KITO continues to improve supply chains with more localization in these regions. In addition, KITO will make substantial investment in India, Thailand, Indonesia and Vietnam, which are regarded as the next sources of growth. The goal is to become the market leader in all of these countries. At the same time, KITO will build a framework to advance into Latin America and other potential regions.

As part of this initiative, KITO decided to establish a locally-incorporated entity to promptly upgrade the sales system of KITO's products in the booming Brazilian market and also to determine the potential and the next business perspective of the Brazilian market such as through product supply and sales on orders for cranes.

2. Summary of subsidiary

(1) Name	Kito do Brasil Ltda.
(2) Location	San Paulo, Federative Republic of Brazil
(3) Representative	Ichiro Goto
(4) Capital	About R \$ 4 million (about 200 million yen)
(5) Business activities	Import, sale and after-sales-services of hoists and cranes
(6) Establishment	September 2011 (scheduled)
(7) Investment ratio	KITO 100% (scheduled)
(8) Fiscal year end	December
(9) Commencement of business	September 2011 (scheduled)

3. Effect on KITO's operating results

The effect of the establishment of subsidiary on KITO's consolidated operating results is minimal.