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To Shareholders with Voting Rights

Securities Code 6409

June 1, 2021

Yoshio Kito

President & CEO

KITO CORPORATION

2000, Tsuijiarai, Showa-cho,
Nakakoma-gun, Yamanashi, Japan

Notice of the 77th Ordinary General Meeting of Shareholders

Dear Shareholders:

We are pleased to notify you of the 77th Ordinary General Meeting of Shareholders of KITO CORPORATION (the “Company” or “KITO”), which is to be held according to the following schedule.

Appropriate measures will be taken at the Meeting to prevent the spread of COVID-19, as there are still concerns regarding its spread. From the perspective of preventing the spread of infection, we request all shareholders to consider not attending the Meeting in person. You may exercise your voting rights in advance in writing or via the Internet, etc. Please review the attached Reference Materials for the General Meeting of Shareholders and exercise your rights no later than 5:30 pm on Monday, June 21, 2021 (JST), following “Guide to Exercise of Voting Rights” (pages 3 - 4).

Schedule

1. Date and Time:	At 10:00 am on Tuesday, June 22, 2021 (JST) (Reception starts at 9:00 am)
2. Venue:	Tower Hall, 49th floor of Roppongi Hills Mori Tower 6-10-1 Roppongi, Minato-ku, Tokyo
3. Agenda of the Meeting	
■ Matters to be Reported:	<ol style="list-style-type: none">1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and Board of Corporate Auditors for the 77th Term (from April 1, 2020 to March 31, 2021).2. The Non-consolidated Financial Statements for the 77th Term (from April 1, 2020 to March 31, 2021)
■ Matters to be Resolved:	<p>Proposal No. 1 Distribution of Surplus</p> <p>Proposal No. 2 Election of Seven (7) Directors</p> <p>Proposal No. 3 Election of One (1) Substitute Corporate Auditor</p>

Internet Disclosure

Any amendment to the Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements shall be published on the Company's website.

The Company's website

<https://kito.com/jp/>
<https://kito.com/>

Measures for preventing the spread of infection at the General Meeting of Shareholders

- ◎ Alcohol-based hand sanitizers will be provided for shareholders at the General Meeting of Shareholders venue. Those attending the Meeting are asked to bring and wear face masks. In addition, please note that we will be scanning temperatures near the venue entrance. Your understanding and cooperation are appreciated.
- ◎ Some of the Company officers may participate in the General Meeting of Shareholders online.
- ◎ The staff operating the General Meeting of Shareholders will be wearing face masks, in addition to checking physical conditions including taking temperatures.
- ◎ Depending on the status of the spread of COVID-19, it may be necessary to change the venue or starting time. In this event, we will post details to the Company's website on the Internet (see above). Shareholders planning to attend the Meeting are asked to check the Company's website in advance.
- ◎ Gifts will not be given out to shareholders. The get-together with shareholders will not be held following the General Meeting of Shareholders.


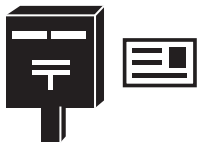

Live streaming via the Internet

In order to prevent the spread of COVID-19, the General Meeting of Shareholders will be streamed live from our website. ("Information on Live Streaming via the Internet" pages 5 to 6). Although due care will be taken with respect to the portrait rights and privacy of shareholders in attendance when streaming the meeting from the back of the venue, please note that shareholders attending the meeting may be visible in the stream under unavoidable circumstances.

Guide to Exercise of Voting Rights

Please review the Reference Materials for the General Meeting of Shareholders (page 7-24) and exercise your voting rights.

You can exercise your voting rights by any of the following three methods.

A TYPE Attending the General Meeting of Shareholders	B TYPE Exercising voting rights in writing	C TYPE Exercising voting rights via the Internet, etc.
 <p>Please submit the enclosed Voting Rights Exercise Form at the reception. Also, please bring this Notice of the 77th Ordinary General Meeting of Shareholders.</p>	 <p>Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and return the form before the deadline.</p>	 <p>Please indicate your approval or disapproval of each of the proposals, in accordance with the instructions on the following page.</p> <p>Please see the following page for details. ▶▶▶</p>
Date of the General Meeting of Shareholders	Deadline	Deadline
10:00 am on Tuesday, June 22, 2021 (JST)	5:30 pm on Monday, June 21, 2021 (JST)	5:30 pm on Monday, June 21, 2021 (JST)

Attendance of proxies

- (1) Please note that those other than shareholders with voting rights, such as proxies who are not shareholders or companions, will not be able to enter the venue.
- (2) If a proxy is attending the meeting, a document proving the proxy rights shall be required in addition to the Voting Rights Exercise Form. Exercise of voting rights by proxy shall be limited to one another shareholder who holds voting rights at the Company.

Handling of Voting Rights Exercised in Writing

When you exercise your voting rights in writing, if you do not indicate approval or disapproval of a proposal, it shall be considered that you have indicated approval.

Multiple Exercise of Voting Rights

- (1) If you have exercised your voting rights more than once, such as both in writing and via the Internet, etc., the exercise of the voting rights via the Internet, etc., shall be treated as effective.
- (2) If you have exercised your voting rights more than once via the Internet, etc., the final exercise of the voting rights shall be treated as effective.

For inquiries on other stock related business (change in address, number of shares held, etc.) please contact below.

- (1) For shareholders with an account at a securities Company
Please contact your securities company.
- (2) For those who do not have an account at a securities company (shareholders with special account)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Toll free: **0120-782-031** (Open from 9 am to 5 pm)
(Excluding weekends and holidays)



Exercising voting rights via the Internet, etc.

Deadline

5:30 pm on Monday, June 21, 2021 (JST)



Exercising voting rights using “Smart Exercise”

- 1 You can easily exercise your voting rights without the need to enter voting rights exercise code and password, by scanning the QR code at the bottom right corner of the Voting Rights Exercise Form.

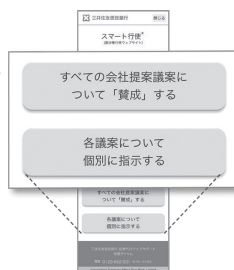


Note

To change your vote after exercising your voting rights, you must scan the QR code again and enter the “voting rights exercise code” and “password” printed on the Voting Rights Exercise Form.

- 2 Follow the instructions shown on-screen and indicate your approval or disapproval for each item.

Please refer to the enclosed leaflet for information regarding the use of “Smart Exercise.”



If you are unclear how to exercise your voting rights via the Internet using your computer, smartphone, or mobile phone, contact the number shown at right.

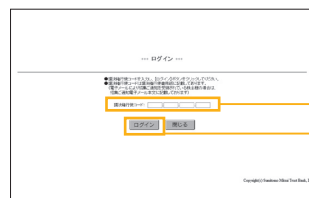
* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

Exercising voting rights by “entering your voting rights exercise code and password”

- 1 Voting rights can be exercised via the Internet using your computer, smartphone, or mobile phone only by using our designated website for the exercise of voting rights (<https://www.web54.net>).

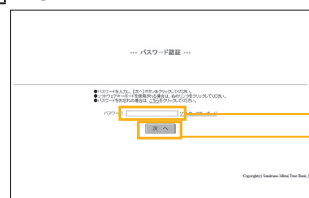


- 2 Enter the “voting rights exercise code” printed on the Voting Rights Exercise Form.



Enter the “voting rights exercise code”
Click “Login”

- 3 Enter the “password” printed on the Voting Rights Exercise Form.



Enter the “password”
Click “Next”

- 4 Follow the instructions shown on-screen and indicate your approval or disapproval for each item.

**Stock Transfer Agency Web Support Help Line,
Sumitomo Mitsui Trust Bank, Limited**

Toll free: **0120-652-031**
(Open from 9 am to 9 pm)

Information on Live Streaming via the Internet

In order to prevent the spread of COVID-19 infections, the 77th Ordinary General Meeting of Shareholders will be streamed live from our website.

[Information for shareholders attending the General Meeting of Shareholders in person]

As indicated below, the General Meeting of Shareholders will be streamed live. Although due care will be taken with respect to the portrait rights and privacy of shareholders in attendance when streaming the meeting from the back of the venue, please note that shareholders attending the meeting may be visible in the stream under unavoidable circumstances.

1. Streaming date and time

Tuesday, June 22, 2021, from 10:00 a.m. until the Meeting ends

* The live streaming website will be accessible from 9:30 a.m., 30 minutes before the meeting begins.

2. How to view the streamed Meeting

(1) Access the following website from your computer, smartphone, or other device.

Streaming website URL

<https://www.cmstream.com/77kito>



(2) After accessing the streaming website, follow the instructions shown onscreen and enter the following ID.

ID

<How to log in>



The screenshot shows a login interface with a text input field containing the placeholder text "IDをご入力ください". Below the input field is a button labeled "視聴画面へ". At the bottom of the interface, there is a link labeled "動画視聴に関するヘルプ". A red rectangular box highlights the input field, and a red arrow points from the text "Enter ' ' as the ID" towards it.

Enter " " as the ID, then click "View live stream screen."

3. Important notes regarding viewing the streamed Meeting

- (1) The live stream of the Meeting is not considered the site of the General Meeting of Shareholders under the Companies Act. Thus, shareholders viewing the live stream will not be able to make any comments or ask any questions. Please exercise your voting rights in advance in writing or via the Internet, as indicated on pages 3 to 4.
- (2) Shareholders will be responsible for bearing all expenses involved in accessing our website and viewing the streamed Meeting (internet connection charges, transmission fees, etc.).
- (3) While every effort will be made to ensure that the Meeting is streamed smoothly, please note that there may be video or audio issues or delays as well as interruptions, in the event of system failures, communications problems, issues that negatively affect the communication environment, or other factors. Streaming of the Meeting may also become impossible. If we decide to cancel the streaming of the Meeting due to unavoidable circumstances, we will provide notice on our website (<https://kito.com/jp>).
- (4) Some shareholders may be unable to view the streamed Meeting depending on their devices and network environments. Please perform a stream viewing test as described below. Please note that we do not guarantee that shareholders will be able to view the streamed Meeting in every environment.
- (5) Please note that the Company will not bear any responsibility for any adverse effects that occur to shareholders as the result of being unable to view the streamed Meeting, in whole or in part.
- (6) The filming, video recording, audio recording, saving, and public releasing of the streamed Meeting such as posting to social media, are strictly prohibited.

4. How to perform a stream viewing test

The following stream viewing environment test website is available for shareholders until 9:30 am, Tuesday, June 22, 2021, to test their stream viewing environment by entering the ID as provided in “2. How to view the streamed Meeting.”

**Stream viewing environment test
website URL**

<https://www.cmstream.com/test77kito>

5. Inquiries regarding streaming

Please direct technical inquiries regarding network environments, etc., to the inquiry point below.

IR Partners. Inc.

**KITO General Meeting of
Shareholders Streaming Manager**

03-3221-1347

Reception hours

Monday to Friday
9:30 a.m. to 5:00 p.m.

(Note) On the date of the General Meeting of Shareholders, reception hours will end at the end of the Meeting.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Distribution of Surplus

The Company believes it is important to secure sufficient retained earnings to reinforce the management basis and prepare for future business development, in addition to appropriately returning profits to shareholders commensurate with the Company's performance.

Under this policy, the Company is striving to increase the dividend payment, targeting a consolidated payout ratio of 20% or higher, subject to the overall consideration of its consolidated results and financial position. In comprehensive consideration of the Company's consolidated results and financial position for the year ended March 31, 2021, the Company hereby proposes to increase its year-end dividend amount by 6 yen per share for the year ended March 31, 2021 as follows, in accordance with "Upward Revisions to the Consolidated Business Forecasts and Dividend Forecast" issued by the Company on March 24, 2021.

1. Form of dividend property

Cash

2. Matters concerning allotment of dividend property and total amount

18 yen per share of the Company's common stock

Total dividend: 369,355,914 yen

3. Effective date of the distribution of surplus

June 23, 2021

Proposal No. 2: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven (7) Directors is proposed.
The candidates for Director are as follows:

Candidate Number		Name	Term of office Gender	Significant concurrent positions	Affiliation	Attendance at board meetings
1		Yoshio Kito (Age: 58)	29 years Male	2	Inside	100% (14 out of 14 meetings)
2		Edward W. Hunter (Age: 55)	5 years Male	2	Inside	100% (14 out of 14 meetings)
3		Tsuneo Yuzurihara (Age: 63)	11 years Male	1	Inside	100% (14 out of 14 meetings)
4		Shigeki Osozawa (Age: 58)	7 years Male	2	Inside	100% (14 out of 14 meetings)
5		Katsumi Nakamura (Age: 67)	5 years Male	2	Outside Independent director	100% (14 out of 14 meetings)
6		Takashi Hirai (Age: 56)	4 years Male	3	Outside Independent director	100% (14 out of 14 meetings)
7		Koji Osawa (Age: 59)	2 year Male	2	Outside Independent director	100% (14 out of 14 meetings)

Candidate
Number
1

Yoshio Kito June 4, 1963 (Age: 58) Term of office **29** years

Male

Re-election

Inside



Personal history, positions, responsibilities and significant concurrent positions

November 1988 Joined the Company
June 1992 Director
June 1998 Managing Director
April 1999 Senior Managing Director
July 2000 Senior Managing Director, Senior Managing Executive Officer
April 2005 Vice President & Representative Director, Vice President
Executive Officer
January 2006 President & Representative Director, President Executive Officer,
Chief Executive Officer
November 2011 President & CEO, President Executive Officer and General
Manager of Domestic Sales Division
April 2016 President & CEO, President Executive Officer, Chief Product
Officer (to present)

[Significant concurrent positions]

KITO Americas, Inc. / Director
JIANGYIN KITO CRANE CO., LTD. / Chairman

Number of shares of the Company held

176,603 shares

Attendance at board meetings

14 out of 14 meetings

Reasons for the election:

Mr. Yoshio Kito, since becoming President & CEO of the Company in January 2006, has displayed leadership centering on aiming to increase corporate value and realize the corporate mission. He has achieved results including overseas business expansion, new product development, and execution of M&As, and is fulfilling his duties as CEO.

He is nominated as a candidate for Director as his experience and track record of leading the Group's management, as well as his extensive insight regarding its businesses, are deemed essential for strengthening the management of the Group and for its sustainable growth.

Message to our shareholders:

The demands of society placed on companies have changed rapidly with SDGs gaining momentum. Amid such changes, we will strive to achieve further growth and increased corporate value by continuing to pursue the universal value of creating safe and highly efficient workplace environments. Due in part to the COVID-19 crisis, we were confronted with a sudden and unavoidable contraction of demand especially during the first half of the previous fiscal year, but demand gradually recovered during the second half of the year. While the outlook remains uncertain, we intend to respond to changes in the market in anticipation of the post COVID-19 period, and continue to reinforce our business foundation while taking advantage of growth opportunities.

Candidate
Number
2

Edward W. Hunter July 3, 1965 (Age: 55) Term of office **5 years**

Male

Re-election

Inside



Personal history, positions, responsibilities and significant concurrent positions

May 2004	Joined Harrington Hoists, Inc. / President & Director
April 2008	Joined the Company / Executive Officer, KITO Americas, Inc. / President & Director and Harrington Hoists, Inc. / President & Director
April 2011	Senior Executive Officer, Head of Americas Business Operation, General Manager of Business Division - Americas, KITO Americas, Inc. / President & Director and Harrington Hoists, Inc. / President & Director
April 2013	Senior Executive Officer, Head of Americas & EMEA Business Operation, General Manager of Business Division - Americas & EMEA, KITO Americas, Inc. / President & Director and Harrington Hoists, Inc. / President & Director
April 2016	Executive Vice President, Co-Chief Market Officer
June 2016	Executive Vice President, Executive Vice President Officer and Co-Chief Market Officer (to present)

[Significant concurrent positions]

KITO Americas, Inc. / Chairman
ERIKKILA OY / Director

Number of shares of the Company held

54,648 shares

Attendance at board meetings

14 out of 14 meetings

Reasons for the election:

Since joining the group company of the Company in May 2004, Mr. Edward W. Hunter has promoted business expansion of the Americas Business focused on the United States and contributed to improvements of corporate value of the Company.

He is nominated as a candidate for Director as his abilities continue to be deemed necessary to achieve further growth of the Company as a global entity by strengthening business in the Americas, which is expected to continue to see growth, and actively conducting business and promoting product strategies in major global markets such as Europe.

Message to our shareholders:

In 2020 our societies, our governments, our families, and KITO Corporation itself faced a threat not seen in generations. SARS CoV 2 (COVID 19) changed the shape of our global business, but it did not change the core strength of KITO. During the pandemic KITO was in a unique position because we are considered a critical supplier of infrastructure. KITO products support the production of pharmaceuticals, agriculture and food, energy, paper products, and transportation. Because of our unique niche in the global supply chain of life sustaining products and services, we were able to maintain production, though with great operational modifications to protect our team. As a fellow shareholder and an executive within KITO, I witnessed how the strength of our relationships with customers, the high quality of our products, and the creativity and spirit of our KITO team members helped KITO survive the global downturn and position our business for the future. Our teams around the world will now build on the efficiency and market share gains we made during the crisis and we are excited about the possibility of delivering better service and economic returns as the crisis eases. Thank you, as always, for your continued support.

Candidate
Number
3

Tsuneo Yuzurihara

December 26, 1957 (Age: 63) Term of office **11** years

Male

Re-election

Inside



Number of shares of the Company held
37,093 shares

Attendance at board meetings
14 out of 14 meetings

Personal history, positions, responsibilities and significant concurrent positions

April 1980	Joined the Company
April 2007	Executive Officer, Deputy General Manager of Development & Technology Division
April 2009	Executive Officer, General Manager of Development & Technology Division
April 2010	Executive Officer, General Manager of Development & Technology Division and General Manager of Manufacturing Division
June 2010	Director, Executive Officer, General Manager of Development & Technology Division and General Manager of Manufacturing Division
April 2011	Managing Director, Senior Executive Officer, Head of Global Manufacturing, Quality Assurance, Development & Technology Division and General Manager of Development & Technology Division
April 2013	Managing Director, Senior Executive Officer, Head of Global Manufacturing, Quality Assurance, Development & Technology Division and General Manager of Procurement Division
December 2013	Managing Director, Senior Executive Officer, Head of Global Manufacturing, Quality Assurance, General Manager of Development & Technology Division and General Manager of Procurement Division
April 2015	Managing Director, Senior Executive Officer, Head of Global Manufacturing, Quality Assurance, General Manager of Development & Technology Division and General Manager of Procurement Division
April 2016	Managing Director, Senior Executive Officer, Chief Quality Officer and General Manager of Quality Assurance Division
April 2017	Managing Director, Senior Executive Officer, Chief Quality Officer, Chief Manufacturing Officer, General Manager of Quality Assurance Division and General Manager of Procurement Division
April 2018	Managing Director, Senior Executive Officer, Chief Quality Officer, Chief Manufacturing Officer and Head/General Manager of Quality Assurance Division (to present)

[Significant concurrent positions]

KITO HOIST THAI CO., LTD. / Director

Reasons for the election:

Since becoming Director of the Company in June 2010, Mr. Tsuneo Yuzurihara has fulfilled his duties as Director, with achievements in creating new frameworks including overseas development in development, manufacturing, procurement, and quality assurance.

He is nominated as a candidate for Director as his ability and experience continue to be deemed necessary for the Company to maintain the high level of quality of its products while promoting global production strategies.

Message to our shareholders:

The domestic and international situation remains chaotic due to various factors in addition to the COVID-19 crisis, and there are concerns about how this will affect KITO's business. Even under such circumstances, we remain dedicated to sustainability management, and plan to continuously take on short- to medium- and long-term issues. We will thoroughly disseminate KITO quality, KITO's core value, throughout all Group companies, and engage in production and quality activities that improve customer loyalty. Through these efforts, we will further increase our corporate value and earn the long-term trust of society.

Candidate
Number
4

Shigeki Osozawa October 12, 1962 (Age: 58) Term of office **7** years

Male

Re-election

Inside



Number of shares of the Company held
39,493 shares

Attendance at board meetings
14 out of 14 meetings

Personal history, positions, responsibilities and significant concurrent positions

April 1985	Joined the Company
July 2008	Senior Manager of Corporate Planning Department
April 2011	Executive Officer, General Manager of Corporate Planning Office
April 2012	Executive Officer, General Manager of Corporate Planning Office and General Manager of Corporate Management Division
June 2012	Director, Executive Officer, General Manager of Corporate Planning Office and General Manager of Corporate Management Division
April 2016	Director, Executive Officer, General Manager of Corporate Management Division and Senior Manager of Legal Affairs Office
June 2016	Retired from the position of Director Executive Officer, General Manager of Corporate Management Division and Senior Manager of Legal Affairs Office
April 2017	Senior Executive Officer, Chief Financial Officer, General Manager of Financial Management Division and Business Strategy Division
October 2017	Senior Executive Officer, Chief Financial Officer and General Manager of Financial Management Division
June 2018	Managing Director, Senior Executive Officer, Chief Financial Officer and General Manager of Financial Management Division
July 2018	Managing Director, Senior Executive Officer, Chief Financial Officer, General Manager of Corporate Management Division and General Manager of Financial Management Division (to present)

[Significant concurrent positions]

JIANGYIN KITO CRANE CO., LTD. / Director
KITO HOISTS & CRANES ASIA PTE. LTD. / Director

Reasons for the election:

Since becoming Managing Director of the Company in June 2018, Mr. Shigeki Osozawa has achieved results in the areas of corporate planning, business strategy, and finance, etc., and has contributed to increasing the Company's business performance.

He is nominated as a candidate for Director as his abilities and experience are deemed necessary for the development of the Group based on a healthy governance system with this support from a financial and corporate management perspective for global development and sustainable corporate value improvement.

Message to our shareholders:

The global COVID-19 pandemic has posed questions regarding the significance of our Company and its contributions to global environmental problems, which are inextricably linked to harmonious coexistence with nature, and to solving the various problems faced by society.

The Company seeks to deliver satisfaction and inspiration to our customers through our business activities that offer freedom from the constraints of gravity. Through this, we will continue to earn the trust of our customers, pursue long-term and social profit, and seek steady growth.

Candidate
Number
5

Katsumi Nakamura June 23, 1953 (Age: 67) Term of office **5 years**

Male

Re-election

Outside

Independent director



Personal history, positions, responsibilities and significant concurrent positions

April 1978	Joined Nissan Motor Co., Ltd.
January 2000	Director of Program Management office
April 2001	Senior Executive Officer
July 2003	President of Dongfeng Motor Company Limited
May 2008	EVP of Renault S.A.S.
June 2009	EVP of Renault S.A.S. and Director of Nissan Motor Co., Ltd.
June 2013	Chairman & Director of Calsonic Kansei Corporation (currently Marelli Corporation)
June 2015	Outside Director of Inabata & Co., Ltd.
June 2016	Chairman of Calsonic Kansei Corporation (currently Marelli Corporation), Outside Director and Member of the Audit and Supervisory Committee of Kansai Airports (to present) and Director of the Company (to present)
January 2019	Senior Advisor of The Black Stone Group L.P. (to present)

[Significant concurrent positions]

Kansai Airports / Outside Director, Member of the Audit and Supervisory Committee
The Black Stone Group L.P. / Senior Advisor

Number of shares of the Company held
400 shares

Attendance at board meetings
14 out of 14 meetings

Reasons for the election and overview of expected roles:

Mr. Katsumi Nakamura has many years of experience as an executive and technician in the automobile industry, which is one of Japan's core industries. The Company expects him to continue to leverage his abundant business management knowledge and manufacturing experience in order to provide the Company with appropriate advice and recommendations from a global management perspective, and to oversee management from an independent and objective perspective. For these reasons, he is again nominated as a candidate for Outside Director.

Message to our shareholders:

I have been involved in the automobile industry through my positions in Nissan Motor and France-based Renault. The automobile industry has already undergone globalization, and a massive once-in-a-century wave of transformation is approaching. I hope that I can use the knowledge accumulated by having been involved in business management in the globalization of the automobile industry, to support KITO's future global growth and transformation. I feel that KITO's manufacturing strengths and its people have great potential. For KITO to grow globally, it will need to increase its manufacturing competitiveness, organize and prioritize the wide-ranging challenges it must face in order to grow, and move steadily forward in tackling these challenges. I am looking forward to supporting KITO in its efforts to take on these challenges.

Candidate
Number
6

Takashi Hirai February 24, 1965 (Age: 56) Term of office **4 years**

Male

Re-election

Outside

Independent director



Number of shares of the Company held
7,500 shares

Attendance at board meetings
14 out of 14 meetings

Personal history, positions, responsibilities and significant concurrent positions

April 1989 Joined Bain & Company Japan, Inc. / Senior Consultant
July 1997 Dell Japan Inc. / Director of Relationship Marketing
March 2000 Crayfish Co., Ltd. (currently e-machitown Co., Ltd.) / Director &
Chief Marketing Officer
April 2001 Starbucks Coffee Japan, Ltd. / Head of Corporate Planning
Division / Officer
September 2003 Executive Officer, Senior Partner of Roland Berger Ltd.
September 2014 Visiting Professor of Graduate School of Business Administration,
Keio University
April 2015 Visiting Professor of Graduate School of Business and Finance,
Waseda University (to present)
March 2017 Professor of Graduate School of Business Sciences, MBA Program
in International Business, University of Tsukuba (to present)
June 2017 Director of the Company (to present)
June 2019 Outside Director of MITSUI-SOKO HOLDINGS Co., Ltd. (to
present)

[Significant concurrent positions]

University of Tsukuba / Professor of Graduate School of Business Sciences, MBA
Program in International Business
Waseda University / Visiting Professor of Graduate School of Business and
Finance
Outside Director / MITSUI-SOKO HOLDINGS Co., Ltd.

Reasons for the election and overview of expected roles:

Mr. Takashi Hirai has many years of experience working as a consultant in a consulting firm operating internationally and experience as an executive in business companies in Japan and the United States, in addition to experience in development of global human resources at a graduate school of corporate management.

The Company expects him to continue to provide appropriate advice and recommendations regarding the formulation of corporate strategies, and to oversee management from an independent and objective perspective. For these reasons, he is again nominated as a candidate for Outside Director.

Message to our shareholders:

Although vaccination levels are rising, the threat of COVID-19 has yet to subside both globally and domestically. This uncertain business environment is expected to continue. However, KITO is using the hardships it has encountered as a driving force and is steadily advancing its business, which supports the infrastructure of society and the economy. As an Outside Director, I will make the best use of my experience as a strategic consultant, my practical business experience, and my knowledge of the latest business theories, to help achieve KITO's growth strategies and enhance our operation strengths.

Candidate
Number
7

Koji Osawa October 9, 1961 (Age: 59) Term of office **2 years**

Male

Re-election

Outside

Independent director



Personal history, positions, responsibilities and significant concurrent positions

April 1985 Joined Mitsubishi Corporation
October 1993 Palo Alto Office, Mitsubishi International Corporation
March 1999 Returned to Mitsubishi Corporation
May 1999 Retired from Mitsubishi Corporation
July 1999 Global Catalyst Partners L.P. / Managing Principal & Co-Founder
(to present)
August 2014 Global Catalyst Partners Japan / Managing Director & Co-
Founder (to present)
June 2019 Director of the Company (to present)

[Significant concurrent positions]

Global Catalyst Partners L.P. / Managing Principal & Co-Founder
Global Catalyst Partners Japan / Managing Director & Co-Founder

Number of shares of the Company held

5,700 shares

Attendance at board meetings

14 out of 14 meetings

Reasons for the election and overview of expected roles:

Mr. Koji Osawa, after working at a general trading company, was engaged in venture capital fund management for many years in Silicon Valley.

As a fund manager, he has experience with discovering and developing new businesses, as well as with objectively evaluating and overseeing businesses. Furthermore, he is deeply knowledgeable with regard to cutting-edge technologies such as IoT. The Company expects him to continue to provide appropriate advice and recommendations that contribute to the development of the Company's business and the acquisition of cutting-edge technologies, and to oversee management from an independent and objective perspective. For these reasons, he is again nominated as a candidate for Outside Director.

Message to our shareholders:

I lived in Silicon Valley, U.S., for 23 years starting in 1993, and for 17 of those years I was engaged in investing in and developing numerous global venture companies through a venture capital fund that I founded myself. In anticipation of the new normal in the post COVID-19 era, I will do my utmost to use my accumulated experience and knowledge to support KITO as it aims to develop further by reinforcing its management foundation, advancing its global operations, and formulating growth strategies.

- (Notes)
1. The Company has business transactions including product sales with JIANGYIN KITO CRANE CO., LTD., at which Mr. Yoshio Kito serves as Chairman and Mr. Shigeki Osozawa serves as Director. No conflict of interest exists between the Company and the other candidates.
 2. Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa are candidates for Outside Directors.
The Company has designated Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa as independent directors and notified the Tokyo Stock Exchange.
 3. Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa do not have the applicable attributes for reporting in the notification form for independent directors stipulated by the Tokyo Stock Exchange.
 4. Number of years of service since the candidates were first appointed as Outside Directors
 - 1) Mr. Katsumi Nakamura's term of office as an Outside Director, as of the conclusion of this General Meeting of Shareholders, is 5 years.
 - 2) Mr. Takashi Hirai's term of office as an Outside Director, as of the conclusion of this General Meeting of Shareholders, is 4 years.
 - 3) Mr. Koji Osawa's term of office as an Outside Director, as of the conclusion of this General Meeting of Shareholders, is 2 years.
 5. Liability limitation agreement with the candidates
Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa limiting their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability under those agreements is the total of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act, and if the re-election of Messrs. Katsumi Nakamura, Takashi Hirai and Koji Osawa is approved, the Company plans to continue those agreements with them.
 6. Directors and Officers liability insurance contract
The Company has entered into a Directors and Officers liability insurance contract with an insurance company that insures all Directors. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. However, the above insurance policy does not apply to compensation for damages arising from the insureds' unlawful gain or benefit. The Company bears the entire premium for the insured parties. If the candidates are appointed as Directors, each of them will be insured under the insurance contract. Furthermore, the Company plans to renew this insurance contract with equivalent details while the Directors are in office, after deliberation by the Board of Directors.

Proposal No. 3: Election of One (1) Substitute Corporate Auditor

In order to prevent the number of Corporate Auditors from falling below the legally stipulated number, the election of one (1) Substitute Outside Corporate Auditor is proposed. With regard to the effectiveness of this proposal, appointment may only be cancelled before the appointment by a resolution of the Board of Directors with the agreement of the Board of Corporate Auditors.

The Board of Corporate Auditors has given its consent to this proposal. The candidate for Substitute Corporate Auditor is as follows:

Male

Outside

Masahide Kamachi May 18, 1981 (Age: 40)

Independent corporate auditor



Number of shares of the Company held
— shares

**Personal history, positions,
and significant concurrent positions**

November 2005 Joined Chuo Aoyama Tax Accountants (currently PwC Tax Japan)
September 2009 Registered as a Certified Public Accountant
December 2014 Registered as a Certified Tax Accountant
November 2016 Established Kamachi Certified Public Accountants Office, Partner (to present)
Managing Partner of Kamachi Certified Tax Accountants Office (to present)
Outside Director of SOU Inc. (currently Valence Holdings Inc.)
January 2017 Representative Director of WILL CONSULTING (to present)
March 2017 Outside Member of the Audit and Supervisory Board of Medley Inc. (to present)
May 2017 Outside Member of the Audit and Supervisory Board of CHIBO Corporation
September 2018 Outside Director of CHIBO Holdings Co., Ltd. (to present)
November 2019 Outside Director and Member of the Audit & Supervisory Committee of Valence Holdings Inc. (to present)
Outside Director of SOU Technologies Inc. (currently Valence Technologies Inc.) (to present)
April 2020 Full-time Associate Professor at Graduate School of Management, Globis University (to present)

[Significant concurrent positions]

Partner / Kamachi Certified Public Accountants Office
Managing Partner / Kamachi Certified Tax Accountants Office
Representative Director / WILL CONSULTING
Outside Member of the Audit and Supervisory Board / Medley, Inc.
Outside Director / CHIBO Holdings Co., Ltd.
Outside Director and Member of the Audit & Supervisory Committee / Valence Holdings Inc.
Outside Director / Valence Technologies Inc.
Full-time Associate Professor / Graduate School of Management, Globis University

Reasons for the election:

Mr. Masahide Kamachi has broad-ranging expert knowledge regarding finance and accounting as a certified public accountant. He has also been involved in the management of several companies as an outside director. He is nominated as a candidate for Substitute Corporate Auditor, as his extensive experience is deemed necessary for the Company's fair and objective decision-making and oversight of business execution status.

- (Notes)
1. Mr. Masahide Kamachi is a candidate for Substitute Outside Corporate Auditor.
 2. No conflict of interest exists between the candidate and the Company.
 3. In the event there is a vacancy in the position of Corporate Auditor and Mr. Masahide Kamachi is appointed, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will conclude an agreement that limits his liability for damages under Article 42, Paragraph 1 of the same Act. The maximum amount of liability under the agreement is the total of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act.
 4. The Company has entered into a Directors and Officers liability insurance contract with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. However, the above insurance policy does not apply to compensation for damages arising from the insureds' unlawful gain or benefit. The Company bears the entire premium for the insured parties. If Mr. Masahide Kamachi is appointed as Corporate Auditor, he will be insured under the insurance contract. Furthermore, the Company plans to renew this insurance contract with equivalent details while Corporate Auditors are in office, after deliberation by the Board of Directors.
 5. If this proposal is approved and in the event Mr. Masahide Kamachi is appointed as a Corporate Auditor, the Company plans to notify the Tokyo Stock Exchange that he is an independent officer as stipulated by the Tokyo Stock Exchange.

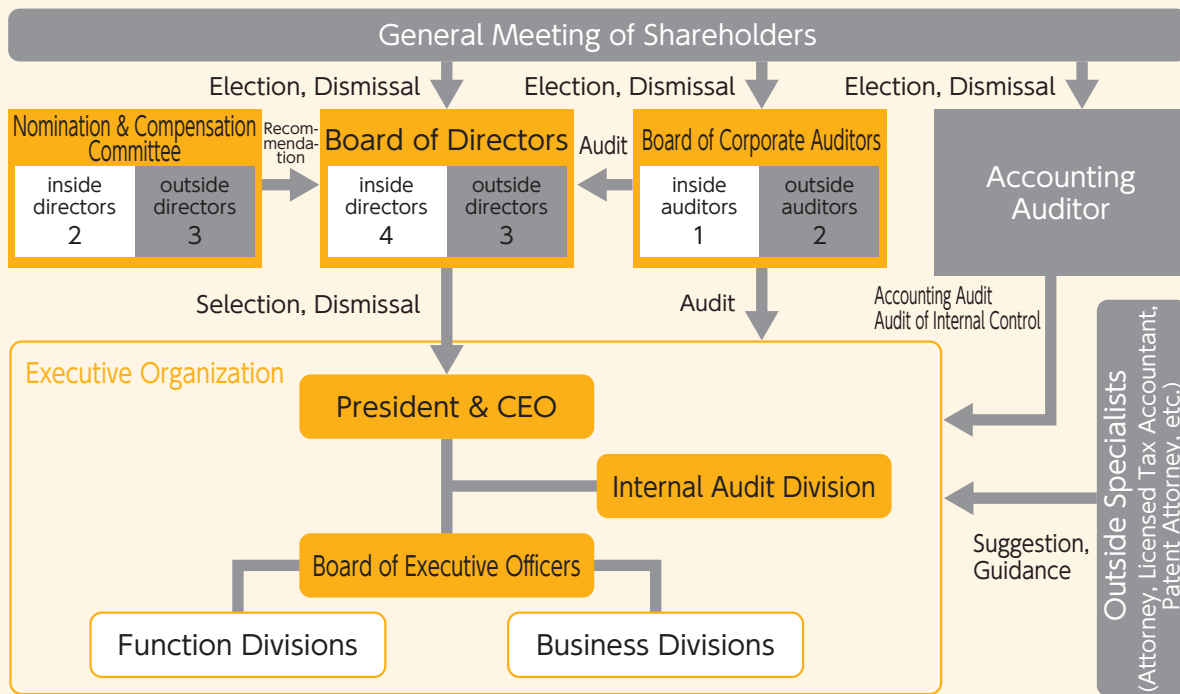
Reference information related to the exercise of voting rights

Basic Principles System of Corporate Governance

The Company will, with the aim of achieving sustainable growth and improvement of corporate value on a medium to long-term basis, make efforts to enhance corporate governance in accordance with the basic concepts described below based on the belief that the essence of corporate governance lies in increasing the dynamism of management by securing the transparency and fairness thereof and making management decisions in a prompt and decisive manner.

- (1) To respect the rights of the shareholders and secure equality among them,
- (2) To consider the interests of the stakeholders including the shareholders and cooperate with them in an appropriate manner,
- (3) To disclose corporate information in an appropriate manner to secure transparency of management.
- (4) To have the board of directors, taking into account the fiduciary responsibility and accountability to shareholders, enhance separation of the execution of management from the supervision thereof and the function of management supervision by outside directors to ensure the sustainable growth of the Company, enhancement of corporate value on a medium to long-term basis, and improvement of profitability and capital efficiency, and
- (5) To have constructive dialogue with the shareholders.

The Company's corporate governance system is as follows.



●Management System

If this proposal is approved, the Company will engage in business using the following system.

Board of Directors	Directors' term of office: one year	Appointed from among members both inside and outside of the Company with abundant experience and a high level of knowledge and specialization. Of the seven Directors, three are Outside Directors with management transparency and a high level of soundness. The three Outside Directors are Independent Directors.
Inside Directors	Yoshio Kito Edward W. Hunter Tsuneo Yuzurihara Shigeki Osozawa	
Outside Directors	Katsumi Nakamura Takashi Hirai Koji Osawa	
Board of Corporate Auditors	Corporate Auditors' term of office: four years	Appointed from among members with expertise and accumulated experience. Outside Corporate Auditors comprise one certified public accountant and tax accountant and one lawyer, reinforcing the audit functions. One of the Outside Corporate Auditors is an Independent Auditor.
Inside Corporate Auditor	Kentaro Yoneyama	
Outside Corporate Auditors	Kiyohito Hamada Eiko Hakoda	

Board of Executive Officers Executive Officers' term of office: one year

Persons with abilities and who are well-versed in operations are actively appointed, regardless of race, nationality, etc.

CEO Yoshio Kito Chief Executive Officer				
CFO Chief Financial Officer	CQO Chief Quality Officer	CPO Chief Product Officer	CMO Chief Market Officer	CMO Chief Manufacturing Officer
Shigeki Osozawa	Tsuneo Yuzurihara	Yoshio Kito	Edward W. Hunter Longlin Huang	Tsuneo Yuzurihara
Co-CMO Edward W. Hunter				Co-CMO Longlin Huang
The Americas Business	Domestic Sales	EMEA Business	Asia Pacific (APAC) Business	JIANGYIN KITO
Carlo Lonardi Marc Premont	Kenji Okuma	Martin Rothe	Kazuishi Kaneko	
CPO Yoshio Kito		CMO Tsuneo Yuzurihara		CFO Shigeki Osozawa
Development & Technology	Powered Chain Hoists	Hoist Manufacturing	Chain Manufacturing	Corporate Planning
Kazumitsu Ishikawa	Scott D. Miller	Kimiaki Hayakawa	Toshio Kono	Masafumi Kokubo

●Election of Officers (Nomination & Compensation Committee)

In the Company, the Nomination & Compensation Committee, a voluntary committee of which the majority is comprised of Outside Directors, deliberates and makes recommendations to the Board of Directors regarding candidates for Directors, Corporate Auditors, and Senior Executive Officers.

The Company established the standards for independence of Outside Directors described in the following page and will judge the independence of the candidates for Outside Directors in accordance with the standards.



●Standards for Independence of Outside Directors

The Company will judge the independence of its outside directors from the viewpoints of whether they can be expected to make positive suggestions and raise questions concerning the Company's business development, in addition to their satisfaction of the standards of independence prescribed by the Tokyo Stock Exchange, Inc. Specifically, independence of the outside directors will be evaluated based on the viewpoints mentioned above to the extent they do not fall under any of the following categories.

1. A person for whom the Company and the Company's group are principal trading partners or a business executive thereof,
2. A principal trading partner of the Company or a business executive thereof,
3. A major shareholder of the Company or a business executive thereof,
4. A business executive of a person for whom the Company and the Company's group are major investors,
5. A person receiving a large donation from the Company and the Company's group or a business executive thereof,
6. A consultant, certified public accountant, other professional accountant, lawyer, or other legal specialist that receives a large amount of money or other assets other than the compensation for a director from the Company and the Company's group (assets in excess of the amount equivalent to 2% of its total sales turnover or gross income or 10 million yen whichever is larger on average in the preceding 3 years, other than the compensation for a director) (In the case that the person receiving the assets is a corporation, association or other group, a person belonging to such group),
7. A person belonging to the auditing firm who performs a statutory audit of the Company and the Company's group,
8. A person from a corporation for which a business executive of the Company and the Company's group assumed the post of its outside director on a reciprocal basis within the preceding 3 years,
9. A person falling under the category of Items 1 through 8 hereof within the preceding 3 years,
10. A close relative (within the 2nd degree of relationship) of a person listed below:
 - a) A person who falls under the category of Items 1 through 9 hereof,
 - b) A director, corporate auditor, executive officer or principal employee of the Company or the Company's group.

(Note)

"Person for whom the Company and the Company's group are principal trading partners" refers to a person who received from the Company and the Company's group a payment of the amount in excess of 2% of its annual consolidated sales turnover or gross income or 100 million yen whichever is larger in the immediately preceding business year.

"Principal trading partner of the Company and the Company's group" refers to a person who made to the Company and the Company's group a payment of the amount in excess of 2% of the Company's annual consolidated sales turnover or gross revenue or 100 million yen whichever is larger in the immediately preceding business year.

"Major shareholder of the Company and the Company's group" refers to a person directly or indirectly holding 10% or more of the voting rights of the Company's and the Company's group's entire shareholders.

"Person for whom the Company's group is a major investor" refers to a person the Company's group invests in to hold directly or indirectly 10% or more of its total voting rights.

"Person receiving a large donation from the Company and the Company's group" refers to a person who received from the Company and the Company's group a donation in excess of 10 million yen or 2% of its annual sales turnover or gross income whichever is larger on average in the preceding 3 years.

●Evaluation of the Effectiveness of the Company's Board of Directors

Below are the results of the most recent (fiscal 2020, the fiscal year ended March 31, 2021) evaluation of the effectiveness of the Company's Board of Directors.

1. Method of evaluation

A questionnaire was sent to all seven Directors and three Corporate Auditors to obtain their opinions on the following items, with a five-point scale for each item and a column for free entry of opinions. The evaluation items for fiscal 2020 year are the same as the evaluation items for fiscal 2019 (based on the TSE Corporate Governance Code revised in June 2018).

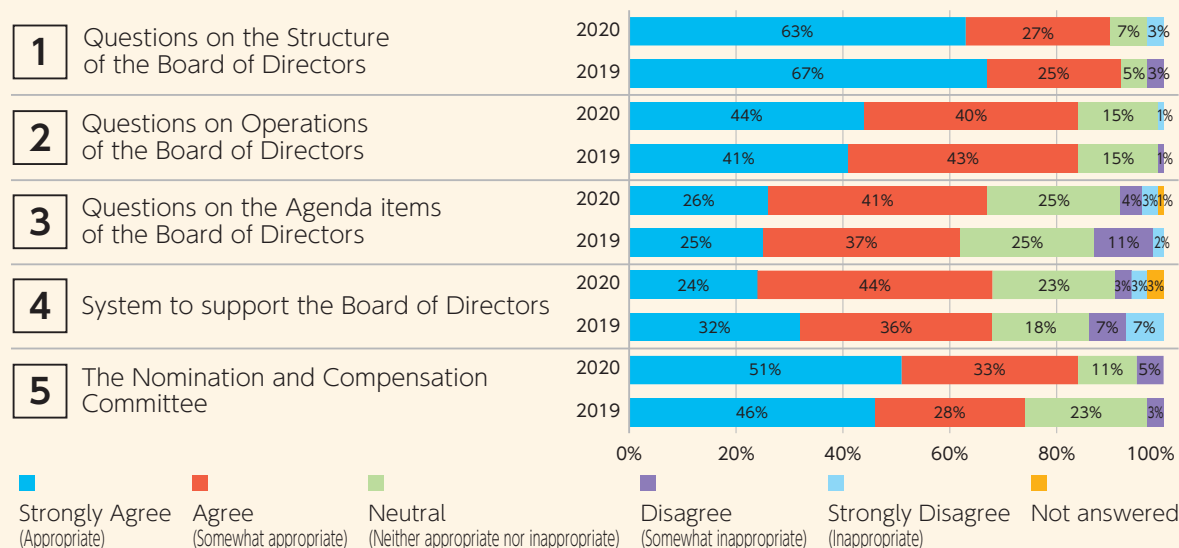
[Questionnaire items]

- (1) Composition of the Board of Directors (including composition, number and ratio of outside directors, diversity, term of office)
- (2) Method of operation of the Board of Directors (including role of the Board of Directors, contents of materials, delegation of authority, and level of active discussion)
- (3) Selection of agenda items (including status of discussions on remuneration, election and dismissal, and compliance, and status of responses to previous issues)
- (4) Systems supporting the Board of Directors (including opportunities and frequency of information exchange, status of cooperation with related departments, and access to information)
- (5) Questions on voluntary committees (including composition, status of discussions on remuneration, election and dismissal, and succession planning)

2. Evaluation results (summary)

As a result of the evaluation, the effectiveness of the Board of Directors as a whole was assessed to be adequately ensured. In particular, at the Board of Directors meeting where the evaluation results were reported, it was reconfirmed that each Director and Corporate Auditor can freely and openly engage in constructive discussions and opinions, and that any meeting has become a forum for transparent, fair, prompt and decisive decision-making. On the other hand, positive evaluations of “(3) Selection of agenda items” and “(4) System to support the Board of Directors” remained at around 70% this year. This is because the three issues recognized as a result of the effectiveness evaluation in fiscal 2018 and 2019 have not yet been resolved in fiscal 2020, although it was unavoidable due to the Covid-19 outbreak, and we have reached a common understanding that they will continue to be addressed in fiscal 2021.

Set a total of 35 evaluation items



3. Issues to be addressed

As explained in “2. Evaluation Results (Summary)” above, based on the results of this evaluation, the Board of Directors has come to the conclusion that the three issues identified as a result of the effectiveness evaluation for fiscal 2018 and fiscal 2019 need to be continued to be addressed. In fiscal 2021, the Company will continue to address and improve the issues identified in order to further enhance the effectiveness of the Board of Directors as it formulates the next medium-term management plan.

The three issues identified as a result of the effectiveness assessment and the policy for addressing them are as follows:

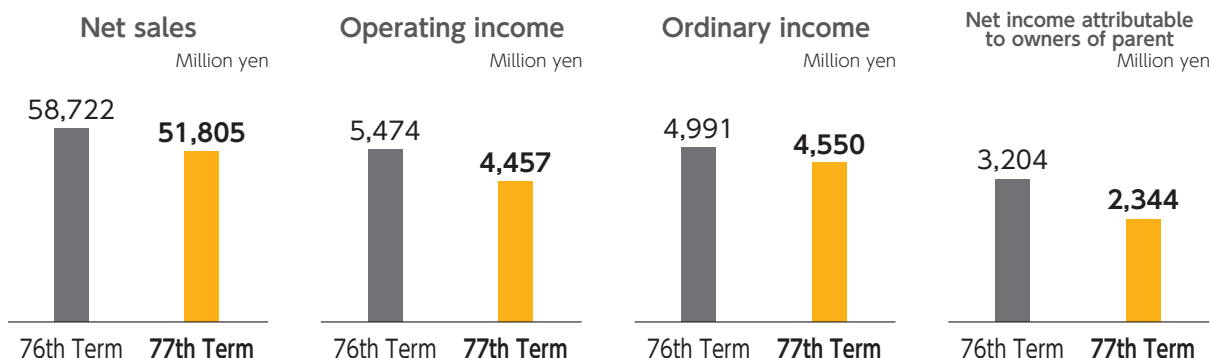
Issues	Response Policy
Deepen discussions on medium- and long-term strategies, product strategies, and regional strategies	Discussions started in FY2020, but still halfway through due to the Covid-19 outbreak; quality of discussions will be improved in FY2021 and discussions will be deepened in conjunction with the formulation of the next medium-term management plan (scheduled to start in FY2022).
Increase the frequency of risk discussions and conduct regular reviews	Based on what we experienced in the Covid-19 outbreak, we will share the risks of our business and conduct sufficient analysis and consideration.
Specifically discuss management's succession plan	While progress has been made in the development of management succession, we will continue to discuss and advance a succession plan for the President and Representative Director.

1 Overview of the Company Group

(1) Business Progress and Results

During fiscal 2020 (ended March 31, 2021), the Group was forced to steer through a difficult business environment from the beginning of the year due to the temporary stagnation of economic activity caused by the COVID-19 pandemic. With the aim of maintaining customer services, the Group focused on securing its supply chain and continued to engage in steady production activities. The Group placed its highest priority on ensuring the health and safety of employees, and promoted working from remote environments. As a result, operations were revised and efficiency increased. Furthermore, the Company strived to secure profits by curbing Company-wide expenses.

During the first quarter of fiscal 2020, there was a major decline in demand due to the impact of COVID-19. However, demand saw a gradual recovery from the second quarter onwards. While concerns of resurging number of infections remained, during the fourth quarter, demand had recovered to roughly the same levels in the same quarter of the previous year. As a result, net sales amounted to ¥51,805 million (down 11.8% year on year), operating income was ¥4,457 million (down 18.6%), and ordinary income was ¥4,550 million (down 8.8%). Net income attributable to owners of parent was ¥2,344 million (down 26.8%), due to recording roughly ¥500 million during fiscal 2020 in impairment losses of a Dutch subsidiary and restructuring expenses of an Australian subsidiary.



Results by segment are as follows. The Kito Group's business activities are classified by geographical segment for the Company and its consolidated group companies.

Segment	Net sales [YoY change in %]	Operating income (loss) [YoY change in %]
Japan	21,534 million yen [down 19.4%]	4,313 million yen [down 21.5%]
The Americas	24,013 million yen [down 14.8%]	1,157 million yen [down 25.4%]
China	7,104 million yen [down 5.3%]	1,043 million yen [up 6.5%]
Asia	2,934 million yen [down 8.7%]	207 million yen [up 13.7%]
Europe	4,462 million yen [down 2.5%]	(368) million yen [303 million yen of operating loss for the previous FY]
Other	1,504 million yen [up 2.8%]	(35) million yen [48 million yen of operating loss for the previous FY]

Japan:

Demand in the Japanese market slowly but steadily recovered from the second quarter onwards. In the fourth quarter, demand recovered to the level of the same period of the previous fiscal year. With regard to exports, shipments to subsidiaries fell due to the reduction in demand in overseas markets. As a result, net sales amounted to ¥21,534 million (down 19.4% year on year) with operating income of ¥4,313 million (down 21.5%).

The Americas:

Business gradually recovered from the second quarter onwards. Although business was impacted by postponements of investments due to expectations for the new administration's economic policies, as well as the disarray of port functions on the west coast during the final phases of the fiscal year, net sales during the fourth quarter recovered to the level of the same period of the previous fiscal year. As a result, net sales in the Americas amounted to ¥24,013 million (down 14.8% year on year), with operating income of ¥1,157 million (down 25.4%).

China:

China rapidly shook off the impact of the COVID-19 crisis, and business performance recovered quickly. Net sales amounted to ¥7,104 million (down 5.3% year on year) with operating income of

¥1,043 million (up 6.5%). Since the fiscal year of the China Segment ends in December, the fiscal year results are for the period from January to December.

Asia:

Capital investment in Southeast Asia saw continued sluggishness in industries such as the automotive industry, due to the impact of the COVID-19 crisis. On the other hand, LCD-related sales in South Korea, which had fallen significantly in the previous fiscal year, recovered. As a result, net sales in Asia amounted to ¥2,934 million (down 8.7% year on year), with operating income of ¥207 million (up 13.7%).

Europe:

While economic activity stagnated throughout Europe, the synergy from each subsidiary the Group acquired through M&A's over the past several years have been showing results, and steady progress was made in the establishment of the brand in the European market and differentiation from other companies' products.

In addition, at the end of the fiscal year, the Group consolidated a Dutch subsidiary in the Europe Segment that customizes hoists based on customer specifications, for use in special environments, etc. As a result, net sales amounted to ¥4,462 million (down 2.5% year on year). The Group posted an operating loss of ¥368 million (compared to operating loss of ¥303 million in the previous fiscal year).

Other:

This segment currently comprises business in Australia only. Due to the early recovery of economic activity, net sales amounted to ¥1,504 million (up 2.8% year on year), with an operating loss of ¥35 million (compared to operating loss of ¥48 million in the previous fiscal year).

(2) Capital investment

The total amount of capital investment in the consolidated fiscal year ended in March 31, 2021 was 1,833 million yen, comprising primarily investments in sales-related systems, investments aimed at increasing the production capacity of the Head Office & Factory, and updating aging plants and equipment.

(3) Financing

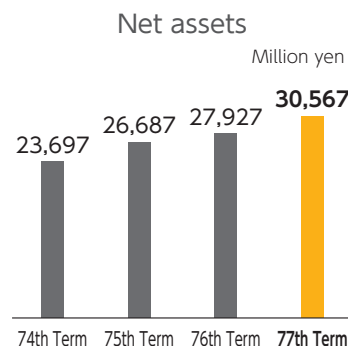
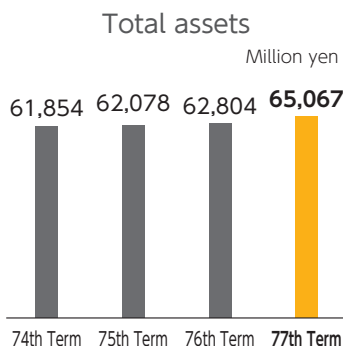
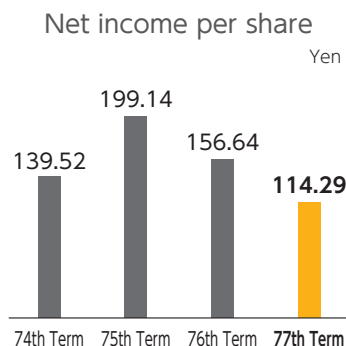
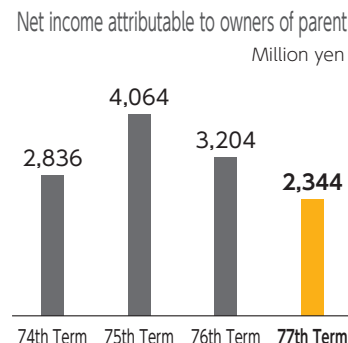
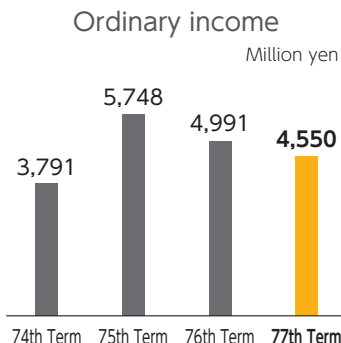
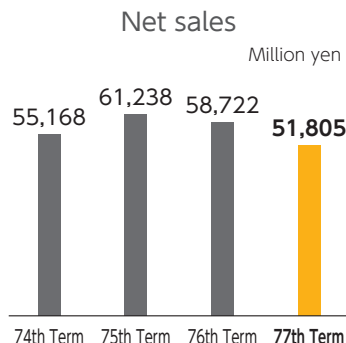
In the consolidated fiscal year ended in March 31, 2021, the Company financed 1,100 million yen in the form of loans from financial institutions.

(4) Corporate challenges to be addressed

In addition to working to achieve KITO's unswerving mission of creating safe and highly productive working environments, we will also strive to achieve further growth by addressing the following challenges in order to reduce the environmental impact of our business activities.

- ① Enhance Customer Experience
 - We will expand our product fields and product lineup with an aim to maximize customer trust. Furthermore, we will strive to increase the value of KITO products, differentiate them from competitors' products, and expand our solution range.
 - We will improve our user training and other services, shorten lead times, and work to further enhance customer service.
 - We will also strengthen our quality control and quality assurance systems globally.
 - We will actively leverage digital technologies to provide new added value.
- ② Create an Efficient Organization and Enhance Production Efficiency
 - We will upgrade and strengthen our global IT and business platform infrastructure.
 - We will also work to improve our supply chain management, increasing the operational efficiency of our four manufacturing bases in Japan, China, the United States, and in Asia, improving delivery services, and reducing inventories.
 - We will work to optimize our chain production system, which boasts the largest production volume for link chains in the world, building around our presence in Japan, the United States and Europe.
- ③ Invest in People and Develop Our Human Resources
 - We are working to build an attractive organization by reforming the awareness of our employees and our corporate culture.
 - By further evolving diversity, the aim will be to develop business leaders who can realize teamwork by organizing team members of differing cultures and promote the development of business in global markets.
 - We will enhance the training provided to all KITO Group employees regarding the universal values we provide to society.

(5) Changes in assets and earnings



(In millions of yen, except per share amounts)

Item	74th Term April 1, 2017 through March 31, 2018	75th Term April 1, 2018 through March 31, 2019	76th Term April 1, 2019 through March 31, 2020	77th Term (FY2020) April 1, 2020 through March 31, 2021
Net sales	55,168	61,238	58,722	51,805
Ordinary income	3,791	5,748	4,991	4,550
Net income attributable to owners of parent	2,836	4,064	3,204	2,344
Net income per share	139.52 yen	199.14 yen	156.64 yen	114.29 yen
Total assets	61,854	62,078	62,804	65,067
Net assets	23,697	26,687	27,927	30,567

(Notes) 1. Net income per share is calculated based on the average number of shares outstanding during the period.
2. Amounts less than one million yen, except per share amounts, are rounded down.

(6) Description of principal business (as of March 31, 2021)

The Group's principal business consists of the development, manufacture, and sales of equipment such as hoists, cranes, and chains. The Group handles mass-produced products, which are standardized based on sales estimates, and customized products that meet various needs depending on the type of cargo handling and the operating environment, as well as after-sales services through parts provision and maintenance.

① Principal products handled by the Group Cranes

This achieves three-dimensional movements in combination with hoists. There are various types depending on the application, such as overhead cranes, jib cranes, and bridge cranes.

Hoists

This product hoists and lowers heavy objects by manually operating the hand chain or running the electric motor. Chain and wire rope variants are available.

Below-the-hook devices

This is an attachment for lifting heavy objects. A range of variations is available depending on the type of heavy objects, including chain, magnetic, and fiber.

Various chain products

These include tire chains and marine chain products.

② The Group's sales structure

In Japan, we have adopted a distribution and sales system, and mainly conduct sales activities through authorized distributors under the umbrella of exclusive agents. Overseas, we supply products and services to more than 50 countries, including in North America, Asia, and Europe, through overseas subsidiaries and distributors.



(7) Main business locations and major subsidiaries of the Company

① Main business locations of the Company

Head Office Head Office & Factory (Yamanashi)

Tokyo Head Office (Tokyo)

Business Office

① Sapporo Office (Hokkaido)

② Sendai Office (Miyagi)

③ Kita Kanto & Shin'etsu Office (Gunma)

④ Yokohama Office (Kanagawa)

⑤ Central-Japan Sales Group (Aichi)

⑥ Osaka Sales Group (Osaka)

⑦ Chugoku & Shikoku Office (Okayama)

⑧ Fukuoka Office (Fukuoka)

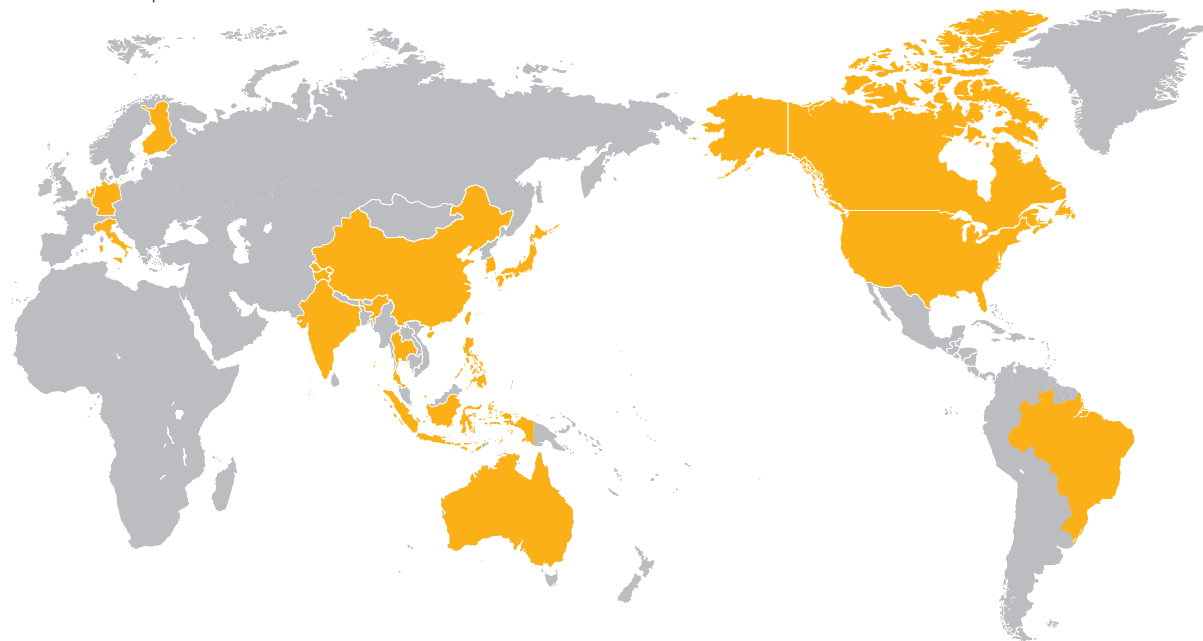
② Status of Major Subsidiaries

Company name	Country and region	Capital	Percentage of voting rights	Description of principal business
(Consolidated subsidiaries)				
Harrington Hoists, Inc.	U.S.	(Thousand USD) 9,500	*100.0%	Manufacture and sales of the Company's products
PEERLESS CHAIN COMPANY	U.S.	(Thousand USD) 20,000	*100.0%	Manufacture and sales of chains and chain-related products, and holding company for the purpose of investing in SCC Japan GODO KAISHA
KITO CANADA INC.	Canada	(Thousand CAD) 800	100.0%	Sales of the Company's products
KITO DO BRASIL COMÉRCIO DE TALHAS E GUINDASTES LTDA	Brazil	(Thousand BRL) 12,971	100.0%	Sales of the Company's products
SCC JAPAN	Japan	(Thousand JPY) 10,000	*100.0%	Sales of PEERLESS CHAIN COMPANY products
KITO Americas, Inc.	U.S.	(Thousand USD) 20,000	100.0%	Holding company for the purpose of investing in Harrington Hoists, Inc. and PEERLESS INDUSTRIAL GROUP, INC., and managing trademark rights and intellectual property rights concerning the products of Harrington Hoists, Inc.
PEERLESS INDUSTRIAL GROUP, INC.	U.S.	(Thousand USD) 20,000	*100.0%	Holding company for the purpose of investing in PEERLESS CHAIN COMPANY
JIANGYIN KITO CRANE CO., LTD	China	(Thousand USD) 26,000	90.0%	Manufacture and sales of wire-rope hoist products, etc. and manufacture of components of the Company's products
KITO HOISTS & CRANES (SHANGHAI) CO., LTD.	China	(Thousand USD) 7,000	*94.0%	Sales of the Company's products
KITO TAIWAN CO., LTD.	Taiwan	(Thousand NTD) 96,500	55.0%	Sales of the Company's products and cranes
KITO KOREA CO., LTD.	Korea	(Thousand KRW) 4,453,080	93.26%	Manufacture and sales of the Company's products and cranes
SIAM KITO CO., LTD.	Thailand	(Thousand THB) 100,000	*80.0%	Manufacture and sales of the Company's products and cranes
KITO INDIA PRIVATE LIMITED	India	(Thousand INR) 37,555	100.0%	Sales of the Company's products
PT. KITO INDONESIA	Indonesia	(Thousand IDR) 40,473,560	100.0%	Sales of the Company's products and cranes

Company name	Country and region	Capital	Percentage of voting rights	Description of principal business
Kito Europe GmbH	Germany	(Thousand EUR) 3,000	100.0%	Sales of the Company's products
KITO CHAIN ITALIA S.R.L.	Italy	(Thousand EUR) 10	100.0%	Manufacture and sales of chains and chain-related products
ERIKKILA OY	Finland	(Thousand EUR) 40	*100.0%	Manufacture and sales of light crane products, etc.
Van Leusden B.V.	The Netherlands	(Thousand EUR) 45.4	*100.0%	Manufacture and sales of customized hoists and cranes products, etc., with rustproof and explosion-proof specifications
PWB ANCHOR LIMITED	Australia	(Thousand AUD) 18.8	*100.0%	Sales of the Company's products

(Notes) 1. Investment ratio with (*) include indirect holding of shares.

2. Effective July 1, 2020, Van Leusden B.V. became a wholly-owned subsidiary of the Company through stock acquisitions.



③ Status of specified wholly-owned subsidiaries of the Company as of March 31, 2021

There are no companies classified as specified wholly-owned subsidiaries.

(8) Status of employees (as of March 31, 2021)

① Status of employees of the Group

Number of employees	Increase/decrease from the end of the previous fiscal year
2,262 persons (296 persons)	Decrease of 66 persons

(Notes) 1. The number of employees is the number of workers.

2. The number in parentheses in the number of employees column is the annual average number of temporary employees.

Temporary employees include part-time staff, temporary staff, and dispatched staff.

② Status of employees of the Company

Number of employees	Increase/decrease from the end of the previous fiscal year	Average age	Average years of service
677 persons	Decrease of 1 person	43.8 years old	17.4 years

(Note) The number of employees is the number of workers excluding employees seconded from the Company to another company and including employees seconded from another company to the Company.

(9) Principal lenders (as of March 31, 2021)

Lenders	Loan balance (millions of yen)
Sumitomo Mitsui Banking Corporation	8,924
MUFG Bank, Ltd.	4,520
The Yamanashi Chuo Bank, Ltd.	2,786
Sumitomo Mitsui Trust Bank, Limited	2,394

(Note) Amounts less than one million yen are rounded down.

(10) Other important information concerning the current status of the corporate Group

Not applicable.

2 Matters Concerning the Company's Shares

(1) Total number of shares authorized: 94,000,000 shares

(2) Total number of shares issued: 20,519,773 shares
(excluding 528,427 shares of treasury stock)

(3) Number of shareholders: 4,245 persons

(4) Major shareholders (top ten shareholders)

Name of shareholder	Number of shares	Percentage of shareholding
MISAKI ENGAGEMENT MASTER FUND	2,045,000 shares	9.96%
The Master Trust Bank of Japan, Ltd. (Trust account)	1,784,600 shares	8.69%
THE BANK OF NEW YORK-JASDECNON-TREATY ACCOUNT	993,900 shares	4.84%
GOVERNMENT OF NORWAY	940,110 shares	4.58%
Custody Bank of Japan, Ltd. (Trust account)	918,600 shares	4.47%
YK Capital Co., Ltd.	740,000 shares	3.60%
Custody Bank of Japan, Ltd. (Trust account 9)	724,300 shares	3.52%
Sumitomo Mitsui Banking Corporation	670,400 shares	3.26%
RE FUND 107 – CLIENT AC	414,700 shares	2.02%
Custody Bank of Japan, Ltd. (Securities investment trust account)	410,300 shares	1.99%

(Notes) 1. The Company holds 528,427 shares of treasury stock and those shares are excluded from the major shareholders above.

2. The percentage of shareholding is calculated after deducting the treasury stock, and rounded down to two decimal places.

(5) Status of shares issued to officers as compensation for the execution of their duties during the fiscal year under review

The details of stock-based compensation is as follows.

Category	No. of recipients	No. of shares
Directors (excluding Outside Directors)	3	13,289 shares

3 Matters Concerning Officers

(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2021)

Position	Name	Responsibilities and significant concurrent positions	Status of principal activities
President & CEO	Yoshio Kito	President Executive Officer Chief Executive Officer Chief Product Officer KITO Americas, Inc. / Director JIANGYIN KITO CRANE CO., LTD. / Chairman	—
Executive Vice President	Edward W. Hunter	Executive Vice President Officer Co-Chief Market Officer KITO Americas, Inc. / Chairman ERIKKILA OY / Director	—
Managing Director	Tsuneo Yuzurihara	Senior Executive Officer Chief Quality Officer Chief Manufacturing Officer Head / General Manager of Quality Assurance Division KITO HOIST THAI CO., LTD. / Director	—
Managing Director	Shigeki Osozawa	Senior Executive Officer Chief Financial Officer General Manager of Corporate Management Division General Manager of Financial Management Division JIANGYIN KITO CRANE CO., LTD. / Director KITO HOISTS & CRANES ASIA PTE. LTD. / Director	—
Outside Director	Katsumi Nakamura	Kansai Airports / Outside Director, Member of the Audit and Supervisory Committee The Black Stone Group L.P. / Senior Advisor	Mr. Katsumi Nakamura attended all 14 board meetings. He leveraged his extensive experience with management in the manufacturing industry and his wide-ranging knowledge of manufacturing, and made various remarks such as sharing his opinions on overall management from a global management perspective. Furthermore, he serves as a member of the Nomination & Compensation Committee, which was established to improve transparency and objectivity in selecting candidates for Directors, etc., and making decisions regarding compensation.

Position	Name	Responsibilities and significant concurrent positions	Status of principal activities
Outside Director	Takashi Hirai	University of Tsukuba / Professor of Graduate School of Business Sciences, MBA Program in International Business Waseda University / Visiting Professor of Graduate School of Business and Finance MITSUI-SOKO HOLDINGS Co., Ltd. / Outside Director	Mr. Takashi Hirai attended all 14 board meetings. Based on his many years of experience working as a consultant in a world-famous consulting firm, he made various remarks, including sharing his opinions on important management issues such as the formulation of growth strategies and the enhancement of global management strengths. Furthermore, he serves as a member of the Nomination & Compensation Committee, which was established to improve transparency and objectivity in selecting candidates for Directors, etc., and making decisions regarding compensation.
Outside Director	Koji Osawa	Global Catalyst Partners L.P. / Managing Principal & Co-Founder Global Catalyst Partners Japan / Managing Director & Co-Founder	Mr. Koji Osawa attended all 14 board meetings. Based on his experience working at a general trading company and managing a venture capital fund, he made various remarks, including sharing his opinions on the search for growth fields, investment strategies, and external negotiation policies. Furthermore, he serves as a member of the Nomination & Compensation Committee, which was established to improve transparency and objectivity in selecting candidates for Directors, etc., and making decisions regarding compensation.
Standing Corporate Auditor	Kentaro Yoneyama	—	—
Outside Corporate Auditor	Kiyohito Hamada	Yotsuba-sogo Accounting Office / Partner Medical Data Vision Co., Ltd. / Outside Corporate Auditor Valuence Holdings Inc. / Outside Director, Audit & Supervisory Committee member Convano Inc. / Outside Director Nice Corporation / Outside Director	Mr. Kiyohito Hamada attended all 14 board meetings and all 11 Board of Corporate Auditors' meetings. He has made remarks based on his extensive experience and expert knowledge as a certified public accountant and tax accountant, such as providing valuable insights at board meetings and the Corporate Auditors' meetings.
Outside Corporate Auditor	Eiko Hakoda	Mori Hamada & Matsumoto / LPC Partner	Ms. Eiko Hakoda attended all 14 board meetings and all 11 Board of Corporate Auditors' meetings. She has made remarks based on her extensive experience and expert knowledge as an attorney, such as providing valuable insights at board meetings and the Corporate Auditors' meetings.

- (Notes)
1. There are no important business transactions or other relationships between the Company and the entities at which Directors Katsumi Nakamura, Takashi Hirai, and Koji Osawa hold concurrent positions.
 2. There are no important business transactions or other relationships between the Company and the entities at which Corporate Auditors Kiyohito Hamada and Eiko Hakoda hold concurrent positions.
 3. Corporate Auditor Kiyohito Hamada is a certified public accountant and a certified tax accountant, and has considerable knowledge of finance and accounting.
 4. The Company has designated Directors Katsumi Nakamura, Takashi Hirai, and Koji Osawa and Corporate Auditor Kiyohito Hamada as independent director/auditor with no potential conflict of interest with general shareholders, the designation of which is required by the Tokyo Stock Exchange, and notified the Tokyo Stock Exchange as such.
 5. The Company has adopted an executive officer system in order to expedite decision-making and clarify management responsibilities. Please see page 20 for information regarding these responsibilities.
 6. In addition to the meetings of the Board of Directors indicated above, a total of six resolutions in writing were made, deemed to be resolutions of the Board of Directors pursuant to Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.

(2) Overview of the contents of the liability limitation agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 40, Paragraph 2 of the Company's Articles of Incorporation, the Company has concluded an agreement with each Outside Director and Outside Corporate Auditor, limiting their liability for damages under Article 423, Paragraph 1 of the same Act.

The maximum amount of liability under the agreement for each Outside Director and Outside Corporate Auditor is the total of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act.

(3) Overview of the contents of the Directors and Officers liability insurance contract

The Company has entered into a Directors and Officers liability insurance contract with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. However, the above insurance policy does not apply to compensation for damages arising from the insureds' unlawful gain or benefit. The Company bears the entire premium for the insured parties. The parties insured under these insurance agreements are Directors, Corporate Auditors, Executive Officers, and other key executives of the Company, Group subsidiaries, and Group affiliates.

(4) Amount of compensation, etc. paid to Directors and Corporate Auditors for the fiscal year under review

The Company's policy governing decision-making regarding the contents of compensation, etc., for individual Directors is determined by the Board of Directors. In making these decisions, the Nomination & Compensation Committee deliberates and reports its findings to the Board of Directors. The details of Officer compensation, etc., of the Company, determined in accordance with this policy, are as follows.

① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors

Director compensation of the Company consists of compensation linked to shareholder returns to ensure that the compensation functions effectively as an incentive for achieving sustainable growth and improvement of medium- and long-term corporate value of the Group. The Group's basic policy is to decide on compensation for individual Directors that is commensurate with their respective duties. Specifically, Director compensation comprises basic compensation (fixed compensation), performance-based compensation, and stock-based compensation. Outside Directors and Corporate Auditors, who are responsible for overseeing functions, are paid only basic compensation in consideration of the nature of their duties.

Basic compensation	Fixed compensation is paid on a monthly basis. The amount of fixed compensation is decided through comprehensive consideration of positions and duties, taking into account factors such as compensation standards at other companies, the Company's business performance, and employee salary standards.
Performance-based compensation (cash bonuses)	Bonuses as cash remuneration reflecting business performance indicators are paid at a given period each year, with the aim of promoting a greater focus on improving business results each fiscal year. The amounts of cash bonuses are calculated based on the level of achievement of consolidated net sales and EBITDA targets for each fiscal year, as well as evaluations performed using the targets set for each individual each year. The consolidated net sales and EBITDA targets are determined from business plans formulated each year, which are based on medium-term management plans, and on publicly announced figures. These targets are revised as necessary upon consultation with the Nomination & Compensation Committee to reflect changes in the business environment.
Stock-based compensation (transfer-restricted stock)	A standard annual amount is determined by the Board of Directors for each position, and the Company's common stock equivalent to that amount is granted annually at a given period each year. Transfer restrictions are lifted on the date on which the grantee resigns from the post of both Director and Executive Officer of the Company or the Company's subsidiary.

Compensation composition (the percentages of each type of compensation) is based on compensation standards which use as their benchmark the compensation offered in companies equivalent in scale to the Company and companies in the same business fields or with the same business formats. Performance-based compensation is weighed more heavily for upper level positions and duties. Compensation composition is deliberated by the Nomination & Compensation Committee and their findings are reported to the Board of Directors. The Board of Directors delegates decision-making regarding the details of compensation for individuals (amounts for basic compensation and performance-based compensation) to the President & CEO, within the scope indicated in the report from the Nomination & Compensation Committee. The standard for ratio of compensation by type is as follows: basic compensation : performance-based compensation : stock-based compensation = 6 : 3 : 1 (when performance indicator targets have been met 100%).

Position	Basic compensation	Performance-based compensation	Stock-based compensation
President & CEO	58%	29%	13%
Managing Director	62%	28%	10%

To ensure that this decision-making authority is exercised appropriately by the President & CEO, the Board of Directors consults with the Nomination & Compensation Committee regarding the draft proposal for compensation and receives their report. The President & CEO, to whom the aforementioned authority is delegated, then makes decisions on compensation in accordance with the content of this report. With regard to stock-based compensation, the Board of Directors passes resolutions regarding the number of shares to be allocated to individual Directors, based on the report from the Nomination & Compensation Committee.

The Board of Directors deems the compensation for individual Directors observe the determination policy, as the amounts of compensation for individual Directors are determined through the above process.

② Matters concerning resolutions at the General Meeting of Shareholders regarding compensation, etc., for Directors and Corporate Auditors

- a. The amounts of compensation paid to the Company's Directors and Corporate Auditors were approved at the Ordinary General Meeting of Shareholders held on June 26, 2007 as follows. The number of members as of the conclusion of said Ordinary General Meeting of Shareholders was eight Directors (of which three are Outside Directors) and three Corporate Auditors (of which two are Outside Corporate Auditors).
 - Compensation for Directors: not more than 300 million yen per year (including not more than 30 million yen per year for Outside Directors; however, not including the employee salary portion of Directors who serve concurrently as employees)
 - Compensation for Corporate Auditors: not more than 80 million yen per year
- b. In addition to the abovementioned compensation, with regard to stock-based compensation, it was resolved at the Ordinary General Meeting of Shareholders held on June 21, 2019 that the amount of compensation of transfer-restricted stock shall be no more than 100 million yen per year, and the maximum number of shares shall be no more than 100 thousand shares per year. The number of members as of the conclusion of said Ordinary General Meeting of Shareholders was four Directors (excluding Outside Directors).

③ Amount of compensation, etc. for Directors and Corporate Auditors

Classification	Payment recipients	Basic compensation	Performance-based compensation	Non-monetary compensation, etc.		Total amount of compensation, etc.
				Stock-based compensation (transfer-restricted stock)	Stock option compensation	
Directors	6 persons	105 million yen	55 million yen	16 million yen	1 million yen	177 million yen
(Of which, Outside Directors)	(3 persons)	(21 million yen)	(—)	(—)	(—)	(21 million yen)
Corporate Auditors	3 persons	28 million yen	—	—	—	28 million yen
(Of which, Outside Corporate Auditors)	(2 persons)	(14 million yen)	(—)	(—)	(—)	(14 million yen)
Total	9 persons	133 million yen	55 million yen	16 million yen	1 million yen	206 million yen
(Of which, Outside Directors/Corporate Auditors)	(5 persons)	(36 million yen)	(—)	(—)	(—)	(36 million yen)

- (Notes) 1. With regard to the abovementioned basic compensation for fiscal 2020, given the harsh business environment resulting from the impact of the COVID-19 pandemic, Officers have requested to decline acceptance of some of their compensation for the three month period from May to July of 2020. The abovementioned amounts of basic compensation reflect these reductions.
- President & CEO: 20% reduction in basic compensation
 - Directors (excluding Outside Directors): 15% reduction in basic compensation
 - Corporate Auditors (excluding Outside Corporate Auditors): 10% reduction in basic compensation
2. The number of Directors and Corporate Auditors as of March 31, 2021 is seven Directors and three Corporate Auditors. The abovementioned payment recipients among Directors and Corporate Auditors exclude one Director without compensation.
3. For the fiscal year under review, at the board meeting held on June 23, 2020, the Board of Directors resolved to delegate decision-making regarding the specific details of compensation for individual Directors to President & CEO Yoshio Kito, within the scope approved at the General Meeting of Shareholders and within the scope indicated in the report from the Nomination & Compensation Committee. The details of the delegated authority and the measures implemented to ensure the said delegated authority is exercised appropriately, are as indicated in “① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors.” The reasons for this delegation of authority is that the President & CEO is best suited to fairly evaluating the Directors, for he has a comprehensive understanding of the performance of individual Directors.
4. Performance-based compensation is determined after the fiscal year-end and the settlement of accounts, by calculating the achievement level of targets (performance achievement rate) and conducting evaluations on an individual basis. The amounts of performance-based compensation for the fiscal year under review have not yet been finalized, and the abovementioned performance-based compensation amounts are scheduled payment amounts.
5. Due to the impact of COVID-19, low performance-based compensation target values have been set for fiscal 2020, since both revenue and profit were forecast to be significantly lower than in the previous fiscal year. Therefore, even if the targets for the current fiscal year are met, the performance-based compensation amount paid will be less than the usual standard amount.
6. The amount of performance-based compensation for fiscal 2019 was finalized in June 2020. This amount is not included in the abovementioned performance-based compensation amounts. The finalized amount was based on the performance achievement rate for the fiscal year (67.6%) and reflects evaluations of each individual. The finalized amount was 54 million yen, which is a reduction of just over 10 million yen from the performance-based compensation amount (65 million yen) disclosed in the fiscal 2019 business report.
7. Directors are issued stock-based compensation as non-monetary compensation. The content of stock-based compensation and the state of its issuance is as indicated in “① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors” and “2. Matters Concerning the Company’s Shares.”
8. The stock option compensation amount is the amount recorded as expenses related to stock acquisition rights granted in the form of stock options during the fiscal year under review.
9. Stock option compensation and Directors’ retirement benefits system have been abolished as of the conclusion of the 75th Ordinary General Meeting of Shareholders held on June 21, 2019.
10. Amounts less than one million yen are rounded down.

④ Matters related to performance-based compensation

The method used to calculate amounts of performance-based compensation is as indicated in “① Matters concerning the determination policy regarding the contents of compensation, etc., for individual Directors.”

The details of business performance indicators selected for use in calculations of performance-based compensation, the reasons for their selection, and the results of their use for fiscal 2020 are as indicated below.

Indicators	FY2020		Reason for selection as indicator
	Targets	Results	
Consolidated net sales	51,330 million yen	51,806 million yen	Selected as an indicator of market growth potential
EBITDA	6,680 million yen	7,503 million yen	Selected as an indicator of cash generating ability

(Notes) 1. Targets are determined from business plans formulated each year, based on medium-term management plans and on business forecasts.

2. Amounts are rounded to the nearest million yen.

(5) Other important matters concerning officers

Not applicable.

4 Matters Concerning Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Amount of compensation, etc. paid to Accounting Auditor for the fiscal year under review

	Amount paid
① Amount of compensation, etc. related to duties stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	59 million yen
② Amount of compensation, etc. related to duties other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	8 million yen
Total of cash and other financial benefits payable by the Company and its subsidiaries	67 million yen

- (Notes) 1. Under the audit agreement between the Company and the Accounting Auditor, the amount of compensation, etc. for the audit in accordance with the Companies Act and the amount for the audit in accordance with the Financial Instruments and Exchange Act are not clearly distinguished, and it is impractical to categorize the amounts. As such, the total of these amounts is stated in the amount of compensation, etc. for the fiscal year under review.
2. The Company outsources to the Accounting Auditor advisory duties regarding revenue recognition, which are duties other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit duties), and pays consideration thereof.
3. The Company's Board of Corporate Auditors has reviewed and considered items including the audit plan of the Accounting Auditor, the implementation status of audits, and the basis for calculating estimates, in light of the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, and has given consent prescribed in Article 399, Paragraph 1 of the Companies Act for compensation paid to the Accounting Auditor.
4. Amounts less than one million yen are rounded down.

(3) The Company's consolidated subsidiaries audited by audit corporations other than the Company's Accounting Auditor

Consolidated subsidiaries are audited by a certified public accountant or audit corporation other than PricewaterhouseCoopers Aarata LLC.

(4) Policy concerning decision on dismissal or non-reappointment of Accounting Auditor

In the event that the execution of duties by the Accounting Auditor is disrupted, or when otherwise deemed necessary, the Company's Board of Corporate Auditors shall determine the content of a proposal in relation to the dismissal or non-reappointment of the Accounting Auditor.

In addition, if the Accounting Auditor is deemed to fall under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors shall dismiss the Accounting Auditor with the unanimous consent of all Corporate Auditors. In such case, a Corporate Auditor designated by the Board of Corporate Auditors shall report the dismissal of the Accounting Auditor and the reasons for dismissal at the first General Meeting of Shareholders convened after such dismissal.

Consolidated financial statements

Consolidated balance sheets Consolidated fiscal year 2020 (As of March 31, 2021)

Million yen

Accounts	Amounts	Accounts	Amounts
Assets		Liabilities	
Current assets	43,735	Current liabilities	23,011
Cash and deposits	13,734	Notes and accounts payable	5,028
Notes and accounts receivable	11,369	Short-term loans payable	7,955
Merchandise and finished goods	12,905	Current portion of long-term loans payable	4,028
Work in process	1,254	Accrued expenses	2,601
Raw materials and supplies	3,181	Income taxes payable	271
Other	1,367	Provision for bonuses	844
Allowance for doubtful receivables	(78)	Provision for product warranties	91
		Provision for sales returns	401
		Provision for business restructuring	85
		Other	1,702
Noncurrent assets	21,332	Non-current liabilities	11,488
Property, plant and equipment	12,628	Long-term loans payable	7,894
Buildings and structures	4,595	Net defined benefit liability	2,184
Machinery, equipment and vehicles	4,205	Deferred tax liabilities	638
Land	1,469	Other	771
Construction in progress	983		
Other	1,374	Total liabilities	34,500
Intangible assets	5,003	Net assets	
Goodwill	1,195	Shareholders' equity	29,138
Software	784	Capital stock	3,976
Other	3,023	Capital surplus	5,056
Investments and other assets	3,701	Retained earnings	20,561
Investment securities	1,287	Treasury shares	(455)
Deferred tax assets	1,465	Accumulated other comprehensive income	399
Retirement benefit asset	73	Valuation difference on available-for-sale securities	0
Other	874	Deferred gains or losses on hedges	(69)
		Foreign currency translation adjustment	523
Total assets	65,067	Remeasurement of defined benefit plans	(54)
		Subscription rights to shares	63
		Minority interests	966
		Total net assets	30,567
		Total liabilities and net assets	65,067

Note: Amount less than one million yen are rounded down.

Consolidated statement of income Consolidated fiscal year 2020 (From April 1, 2020 to March 31, 2021) Million yen

Accounts		Amounts
Net sales		51,805
Cost of sales		33,081
Gross profit		18,724
Selling, general and administrative expenses		14,266
Operating income		4,457
Non-operating income		475
Interest income	36	
Foreign exchange gains	58	
Rents received	72	
Subsidy income	163	
Proceeds from the sales of scrap	36	
Other	109	
Non-operating expenses		383
Interest expenses	233	
Arrangement fees	55	
Other	94	
Ordinary income		4,550
Extraordinary income		5
Gain on sale of noncurrent assets	5	
Extraordinary loss		873
Loss on sale of noncurrent assets	3	
Impairment loss	334	
Loss on retirement of noncurrent assets	41	
Business restructuring expenses	188	
Loss on termination of retirement benefit plan	305	
Income before income taxes		3,682
Income taxes-current		1,159
Income taxes-deferred		72
Net income		2,450
Net income attributable to non-controlling interests		106
Net income attributable to owners of parent		2,344

Note: Amount less than one million yen are rounded down.

Non-consolidated financial statements

Non-consolidated balance sheets Fiscal year 2020 (As of March 31, 2021)

Million yen

Accounts	Amounts	Accounts	Amounts
Assets		Liabilities	
Current assets	21,776	Current liabilities	17,298
Cash and deposits	8,735	Notes payable – trade	294
Notes receivable – trade	21	Accounts payable – trade	2,678
Electronically recorded monetary claims – operating	41	Short-term loans payable	6,900
Accounts receivable – trade	5,232	Current portion of long-term loans payable	4,008
Merchandise and finished goods	2,416	Current portion of long-term borrowings from subsidiaries and associates	392
Work in process	791	Lease obligations	0
Raw materials and supplies	2,301	Accounts payable – other	25
Prepaid expenses	255	Accrued expenses	1,777
Accounts receivable – other	469	Income taxes payable	233
Consumption taxes receivable	62	Advances received	16
Short-term loans receivable from subsidiaries and associates	1,382	Deposits received	32
Other	66	Provision for bonuses	380
Noncurrent assets	25,903	Provision for product warranties	65
Property, plant and equipment	6,097	Provision for sales returns	0
Buildings	2,292	Notes payable - facilities	69
Structures	212	Accounts payable - facilities	368
Machinery and equipment	1,750	Other	55
Vehicles	12	Non-current liabilities	10,020
Tools, furniture and fixtures	283	Long-term loans payable	7,885
Land	1,000	Provision for retirement benefits	1,787
Leased assets	0	Other	348
Construction in progress	544	Total liabilities	27,319
Intangible assets	763	Net assets	
Software	653	Shareholders' equity	20,367
Telephone subscription right	3	Capital stock	3,976
Other	105	Capital surplus	5,199
Investments and other assets	19,043	Legal capital surplus	5,199
Shares of subsidiaries and associates	5,611	Retained earnings	11,646
Investments in capital of subsidiaries and associates	6,854	Other retained earnings	11,646
Long-term loans receivable from subsidiaries and associates	5,360	Reserve for tax purpose reduction entry of non-current assets	11
Long-term prepaid expenses	31	General reserve	150
Deferred tax assets	1,004	Retained earnings brought forward	11,485
Other	180	Treasury shares	(455)
Total assets	47,680	Valuation and translation adjustments	(69)
		Deferred gains or losses on hedges	(69)
		Subscription rights to shares	63
		Total net assets	20,361
		Total liabilities and net assets	47,680

Note: Amount less than one million yen are rounded down.

Non-consolidated statement of income Fiscal year 2020 (From April 1, 2020 to March 31, 2021) Million yen

Accounts		Amounts
Net sales		21,534
Cost of sales		13,194
Gross profit		8,339
Selling, general and administrative expenses		6,182
Operating income		2,157
Non-operating income		1,328
Interest income	137	
Dividend income	1,021	
Foreign exchange gains	68	
Other	101	
Non-operating expenses		313
Interest expenses	208	
Arrangement fees	55	
Other	49	
Ordinary income		3,172
Extraordinary income		0
Gain on sale of noncurrent assets	0	
Extraordinary loss		23
Loss on sale of noncurrent assets	2	
Loss on retirement of noncurrent assets	21	
Income before income taxes		3,149
Income taxes-current		606
Income taxes-deferred		82
Net income		2,460

Note: Amount less than one million yen are rounded down.

AUDITOR'S REPORT

Certified Copy of the Accounting Auditor's Report Relating to Statutory Reports (Consolidated)

INDEPENDENT AUDITOR'S REPORT

May 17, 2021

The Board of Directors
KITO CORPORATION

PricewaterhouseCoopers Aarata LLC
Tokyo Office

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Junji Ichihara (seal)

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Mamoru Honda (seal)

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of KITO CORPORATION (the "Company") for the fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of KITO CORPORATION, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Certified Copy of the Accounting Auditor's Report Relating to Statutory Reports

INDEPENDENT AUDITOR'S REPORT

May 17, 2021

The Board of Directors
KITO CORPORATION

PricewaterhouseCoopers Aarata LLC
Tokyo Office

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Junji Ichihara (seal)

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Mamoru Honda (seal)

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheets, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements, and the accompanying supplementary schedules of KITO CORPORATION (the "Company") for the 77th fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, the Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Certified Copy of Audit Report of the Board of Corporate Auditors

AUDIT REPORT

The Board of Corporate Auditors, following review and deliberations on the audit reports made by each Corporate Auditor concerning the execution of duties by Directors for the 77th fiscal term from April 1, 2020 to March 31, 2021, have prepared this Audit Report, and hereby submit it as follows:

1. Auditing Methods and Contents of Audit by Corporate Auditors and Board of Corporate Auditors

- (1) Board of Corporate Auditors established the auditing policies and division of duties, received reports and explanations regarding the implementation status and results thereof from the respective Corporate Auditors, as well as reports and explanations regarding the status of the execution of duties from Directors and the Accounting Auditor, and requested explanations as necessary.
- (2) In accordance with the auditing standards for Corporate Auditors determined by the Board of Corporate Auditors and auditing policies and the division of duties, each Corporate Auditor made efforts to collect information and established auditing circumstances through communication with internal audit staff and other employees, and audits were implemented in the following methods.
 - 1) Each Corporate Auditor attended the Board of Directors meeting and other important meetings to receive reports regarding execution of duties from Directors and employees, and requested explanations as necessary. Each Corporate Auditor also inspected the approved documents and examined the status of operations and conditions of assets at its Head Office and principal offices. Corporate Auditors received from subsidiaries their reports as necessary through communication and information sharing with their Directors and Corporate Auditors.
 - 2) With regard to the resolutions adopted by the Board of Directors regarding the establishment of the system for ensuring that the Directors' duties described in the business report are performed in conformity of laws, regulations and the Articles of Incorporation of the Company as well as the establishment of the system necessary to ensure proper business operations of the Corporate Group that comprises the Company and its subsidiaries as set forth in Paragraphs 1 and 3 of Article 100 of Regulation for Enforcement of the Companies Act and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors, each Corporate Auditor also received reports on a regular basis from Directors and employees regarding its status of design and operation, requested explanations as necessary and expressed their opinions.
 - 3) Corporate Auditors monitored and examined whether or not the Accounting Auditor is maintaining an independent position and conducting the audits appropriately, and also obtained reports and requested explanations as necessary on the status of execution of duties from the Accounting Auditor. In addition, Corporate Auditors were informed by the Accounting Auditor the "the system to ensure the duties are performed properly" (the matters stipulated in the respective items of Article 131 of Regulation on Corporate Accounting) has been implemented in accordance with the "quality management standards concerning audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

In accordance with the aforementioned procedures, the Corporate Auditors reviewed the business report, supplementary schedules thereto, the statutory reports (non-consolidated balance sheets, non-consolidated statement of income, non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements), supplementary schedules thereto, and consolidated statutory reports (consolidated balance sheets, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for the year ended on March 31, 2021.

2. Results of Audit

(1) Results of Audit on Business Report, etc.

- 1) The business report and supplementary schedules thereto fairly present the financial condition of the Company in accordance with the laws, regulations and the Articles of Incorporation of the Company.
- 2) Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation of the Company.
- 3) The contents of resolutions by the Board of Directors with regard to the internal control system are reasonable. Additionally, regarding the description of the relevant internal control system in the business report and the execution of duties by Directors under the relevant internal control system, there are no matters to be pointed out.

(2) Results of audit of the nonconsolidated statutory reports and supplementary schedules thereto

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC are fair and reasonable.

(3) Results of audit of the consolidated statutory reports

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC are fair and reasonable.

May 17, 2021

Board of Corporate Auditors of KITO CORPORATION

Standing Corporate Auditor	Kentaro Yoneyama (seal)
Outside Corporate Auditor	Kiyohito Hamada (seal)
Outside Corporate Auditor	Eiko Hakoda (seal)