



## To Our Shareholders



Yoshio Kito, President and CEO

- In FY 2018 Kito made new records in both sales and profit.
- Kito's dividend this year was 44 yen per share, up 11 yen.
- Our goal is to increase sales and profit again this fiscal year.



Video archive of financial results briefing held on May 21.

I want to express my deepest gratitude to you for your continuing support. The world economy was strong and stable throughout our fiscal year ended in March 2019. Responding to brisk demand, Kito continued to increase production from the beginning of the year, which raised productivity and helped us expand profits. The results included new records for sales and profit on all levels.

Despite an uncertain economic trend in the immediate future, we project continuing strong demand into FY 2019, supported by domestic demand in major markets. We anticipate further growth this year based on stable demand trends in Japan and North America for investment related to equipment and infrastructure, while we are reaching into China to build business in growth industries. We are gaining market share in China with increasing safety awareness and appreciation for quality products like ours. This year we will

work on production-line reform at the Yamanashi main plant for higher production capacity and manufacturing efficiency. In addition, we are transferring some production processes to the US and Thailand to optimize production and supply systems for the entire Kito Group. With these measures we are aiming for new all-time highs in sales and profit on all levels.

FY 2019 is the fourth year of our mid-term business plan. To achieve the goals set out in the plan, we will continue capturing brisk demand in various markets and increasing profits and cash flow through higher productivity and efficiency. For the two remaining years of the plan we are keeping our focus on its goals and on growing our operations. We can confidently encourage high hopes for a globally expanding Kito Group.



### Meet Link Tochigi Brex (cover photo)

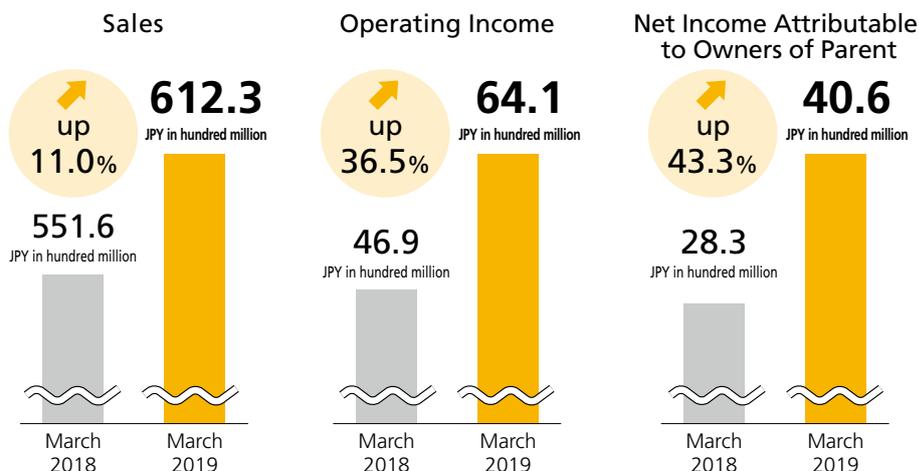
The Japanese pro basketball team based at Brex Arena Utsunomiya is the first winner of the first section of the B league, which began with the 2016-17 season. Its top-notch players include the first Japanese NBA player, Yuta Tabuse and the home games draw about 4,000 spectators, among the highest in the league.

TNER theatrical hoists lift an LED screen array above center court. This product is designed for uses such as supporting lighting and sound equipment in event venues and on stages.

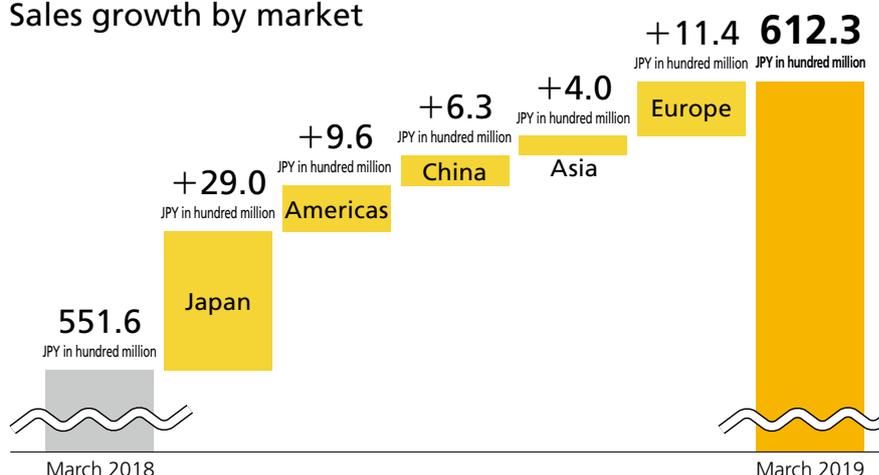
# FY 2018 Business Highlights

## All-time High Sales and Profits on All Levels

Meeting brisk demand worldwide, we are reporting two-digit year-on-year sales growth. Profit on all levels increased significantly year-on-year thanks to higher productivity, a result of production growth and expanding sales.



## Sales growth by market



# FY 2019 Projections and Dividend Plan

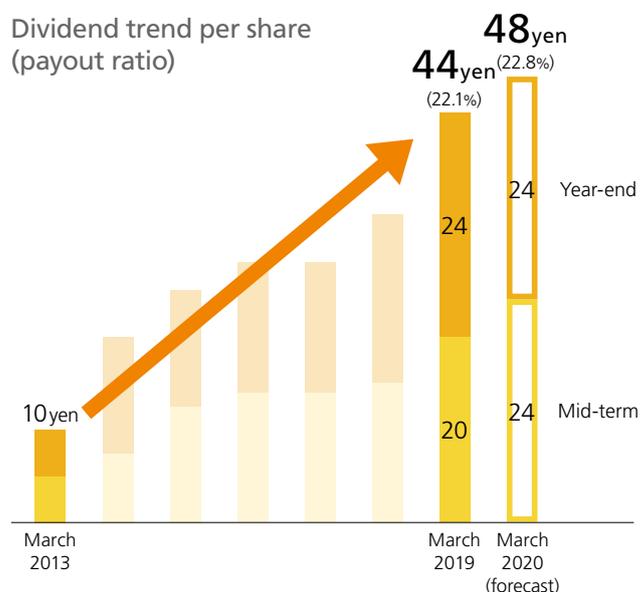
## Planning for a third consecutive year of record sales and profit

While uncertain factors are increasing in the world economy, we are entering a mature growth phase and aiming for a third consecutive year of sales and profit.

Sales	<b>628</b> JPY in hundred million	<b>2.5%</b> ↑
Operating Income	<b>67</b> JPY in hundred million	<b>4.5%</b> ↑
Ordinary Income	<b>64</b> JPY in hundred million	<b>11.3%</b> ↑
Net Income	<b>43</b> JPY in hundred million	<b>5.8%</b> ↑

## We plan to continue increasing our dividend, projecting an additional 4 yen for FY 2019.

Dividend trend per share (payout ratio)



## Pick Up

Here are some good examples of Kito products in use and our CSR activities.

Products  
in use

October 2018-  
March 2019

### Kito contributes to manufacturing and infrastructure building worldwide.

While many Kito products are installed on the production lines of manufacturing plants, others are used in temporary workplaces like construction sites. In the past six months, we delivered products in response to demand related to private-sector equipment investment and government infrastructure projects.

#### Global

#### Production line of a German agricultural machinery maker

We delivered nearly 70 Erikkila light-crane systems and over 50 units of electric chain hoists a German manufacturer of agricultural machinery. The total length of the aluminum and steel cranes reaches 800 meters.



#### Japan



#### Three large bridge cranes for magnesium-alloy parts plant

This plant makes various parts exclusively from magnesium alloy. The three large cranes move on floor rails for changing dies and maintaining equipment.

#### Processing burnable waste into energy

On the construction site for a burnable waste processing facility under construction by the cities of Hino, Kokubunji and Koganei in Tokyo, workers are using our manual chain hoists to install steam-turbine generators driven by heat from burning waste. The electricity generated this way is used in the plant and sold to energy firms.



## CSR Activities

### Kito aims to be a company where everyone finds it easy to work

Kito puts special effort into hiring handicapped people. We proactively and continuously improve our work environment, offering on-the-job training in several workplaces before an official hire, special communication tools and Silwatch for those with a hearing loss. Handicapped employees are 6.9% of our Group's total work force (April 2019), far above the legal mandate of 2.2%.



As a social contribution, Kito maintains a sponsorship agreement with the Japan Para-Ski Federation, which promotes social participation of the handicapped people. As an official sponsor for the national para-alpine ski and ID-alpine ski teams, we help encourage handicapped skiers.

### Peerless cited for excellence in environment improvement

Peerless Industrial, the leading North American chain maker and a Kito Group member, won Regional winner of the 2019 Industrial Water Quality Achievement Award from the Central States Water Environment Association (CSWEA), for demonstrating consistent reduction of bio solids in its wastewater system from 1982 to 2017.



### Supporting career-path selection program for junior high school and high school girls

This university-based program is designed to reduce doubt and anxiety among female schoolers about majoring in sciences at the college level, and so increase the numbers of women science majors. In concordance with the program's goals, Kito invited a group of junior high school and high school girls to the Yamanashi Main Plant to witness the action on the manufacturing floor and talk with women engineers.

## Public Relations

### "Train-jacking" with hang-strap ads!

We placed our first hang-strap ads on four major trains and subway lines, specifically the Odakyu, Toei Mita, Asakusa and Oedo lines. On your daily commute, you may find yourself on a Kito train.



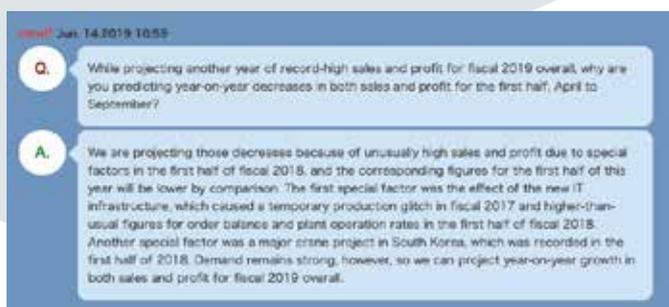
# Investor Relations

We remain active in providing up-to-date information.

## Our global website is being revised to provide more investor-related information.

Our Chart Generator shows our performance across any period you designate.

Through our Ask an IR Officer column we timely answer questions from investors.



Briefing on yearend financial results for analysts and institutional investors  
Video archive available on the same day of the event, in both English and Japanese.



Each year we offer a social event after the shareholders meeting.



We made video available online on the day of the event, June 21.

## We provided briefings for individual investors



A total of 700 people participated at seven locations nationwide.

We offer regular plant tours for individual investors. The next tour will be on Friday, October 25.

Make a reservation!

A tour of the plant and exchange with our Directors will help deepen your understanding of Kito.



## Shareholder Memo

Record Dates	Annual shareholders meeting: March 31
	Year-end dividend payment: March 31
	Interim dividend payment: September 30

## Communications through Social Media



We regularly posts scenes where Kito products are at work and Kito people in action.



See videos on Kito's profile and its commitment to manufacturing.

**Kito Corporation**  
Corporate Communication Department

Kito IR

Search

<https://kito.com/ir>

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