



May 16, 2022

Company	KITO CORPORATION
President and CEO	Yoshio Kito
Identification Code	6409 (TSE Prime)
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Notice regarding Dividend Distribution (No Dividend)

KITO CORPORATION (TSE: 6409) (the “Company” or “we”) at the meeting of the Board of Directors held today resolved that we will not pay an interim dividend with a record date of September 30, 2022 and a year-end dividend for the fiscal year ending March 31, 2023, subject to the settlement of the tender offer (the “Tender Offer”) for the Company’s common shares (the “Shares”) and stock acquisition rights (the “Acquisition Rights”), by Lifting Holdings BidCo, Inc. (the “Tender Offeror”) as stated in the “Announcement of Position Statement on the Planned Commencement of the Tender Offer for Shares, etc. of Kito by Lifting Holdings BidCo, Inc. in Connection With the Business Combination of Kito and Crosby Group” dated today (the “Press Release of Position Statement”)

1. Details of Dividend Distribution (No Dividend)

(1) An interim dividend with a record date of September 30, 2022

	Items Decided	Previous Forecast	FY ended March 31, 2022
Record Date	September 30, 2022	—	September 30, 2021
Dividend per Share	JPY 0.00	—	JPY 22.00
Total Dividends	—	—	JPY 452 million
Effective Date	—	—	December 3, 2021
Source	—	—	Retained Earnings

(2) A year-end dividend with a record date of March 31, 2023

	Items Decided	Previous Forecast	FY ended March 31, 2022*
Record Date	March 31, 2023	—	March 31, 2022
Dividend per Share	JPY 0.00	—	JPY 22.00
Total Dividends	—	—	JPY 452 million
Effective Date	—	—	June 27, 2022
Source	—	—	Retained Earnings

*Resolved at the meeting of Board of Directors today

News Release (6409 TSE)

2. Reasons

At the meeting of the Board of Directors, a resolution was made stating that if the Tender Offer commences, the position of the company as of this date is that it will declare a position in support of the Tender Offer and that it will recommend that the Company's shareholders and stock acquisition right holders accept the Tender Offer.

The above resolution of the board of directors is made on the premise that a series of transactions to achieve the Business Combination, including transactions with the purpose of making the Offeror the only shareholder of the Company's through the Tender Offer and the subsequent series of transactions is contemplated, and that the Company Shares are scheduled to be delisted. Please refer to the Press Release of Position Statement for details.

For shareholder returns, the Company's basic policy is to pay a stable and sustained dividend, while ensuring sufficient retained earnings to support future business expansion. Our dividends have reflected our target of a payout ratio of 20% or higher on a consolidated bases, and we have continued to strive to maintain and improve this level. However, the Tender Offeror indicated that the purchase price per share for the Shares and per the Acquisition Rights in the Tender Offer was comprehensively judged and determined based on the assumption that an interim dividend with a record date of September 30, 2022; and a year-end dividend for the fiscal year ending March 31, 2023 would not be paid. Therefore, the meeting of the Board of Directors held today, the Company resolved not to pay an interim dividend with a record date of September 30, 2022 and a year-end dividend for the fiscal year ending March 31, 2023.

End