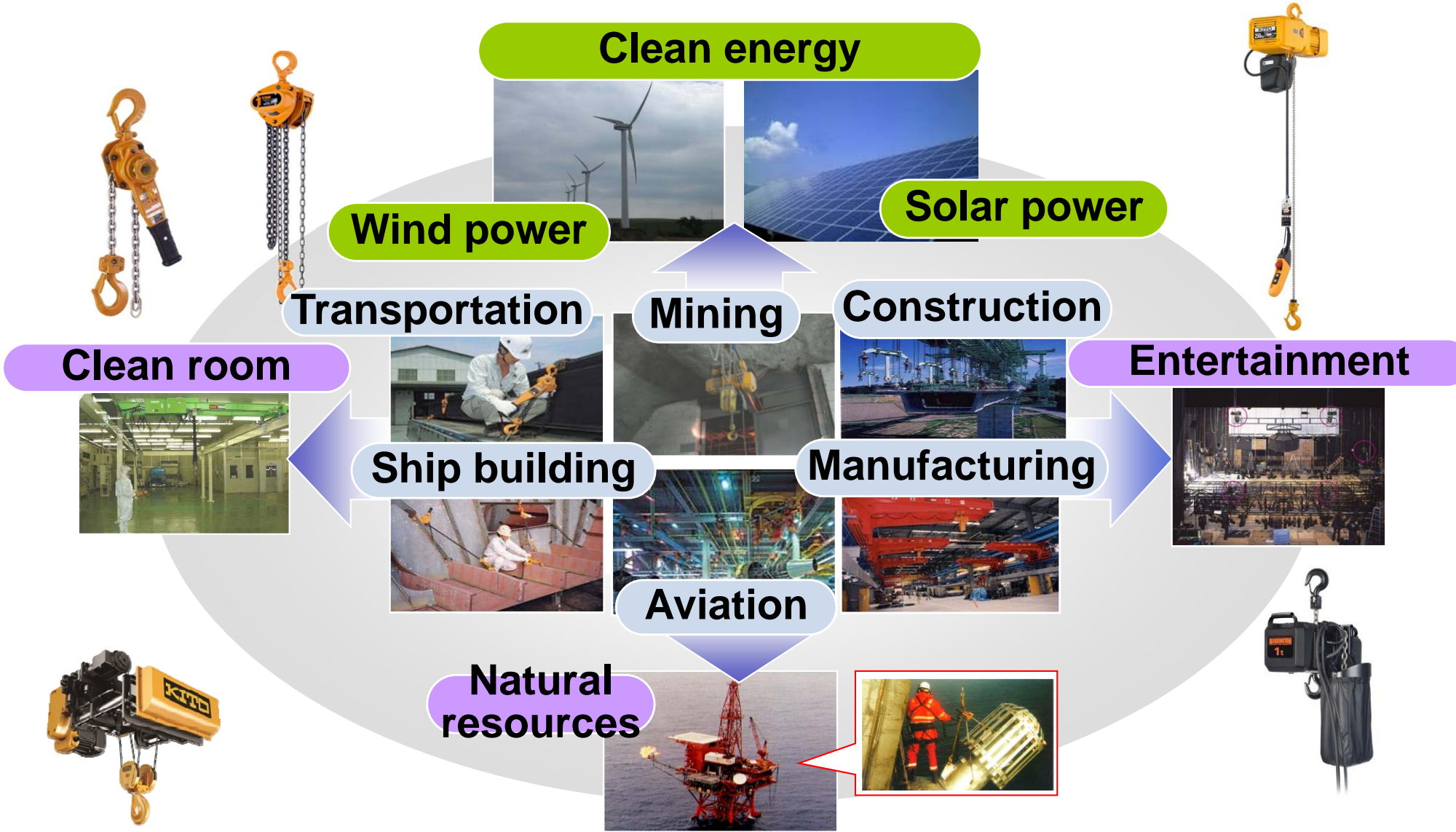


## - Kito's Business Structure - MTP Progress



**May 20, 2019**

# Expanding Customer Base



# Initiatives by products

## Overhead Cranes



**Jan. 2018**  
**Acquired ERIKKILA of Finland, manufacturer of light weight cranes.**  
**Started selling light crane products in Japan.**

## Hoists



**Apr. 2018**  
**Van Leusden of the Netherlands joined Kito, specializing anti-corrosion and spark-proof treatment for hoists.**

## Below Hook Devices



**May 2019**  
**Starts selling Wire Rope Hoist in Americas.**

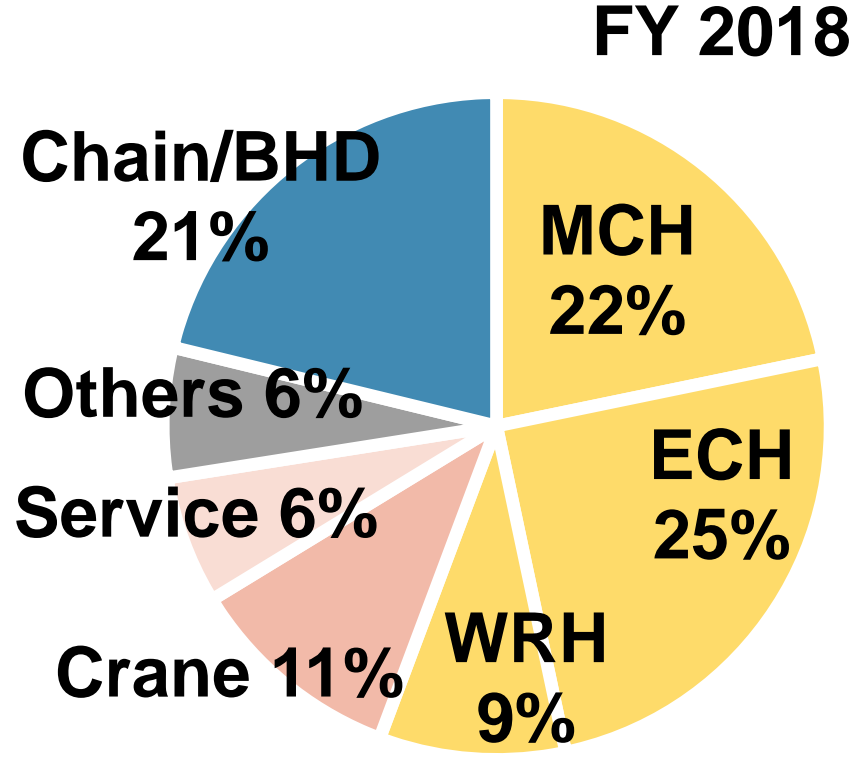
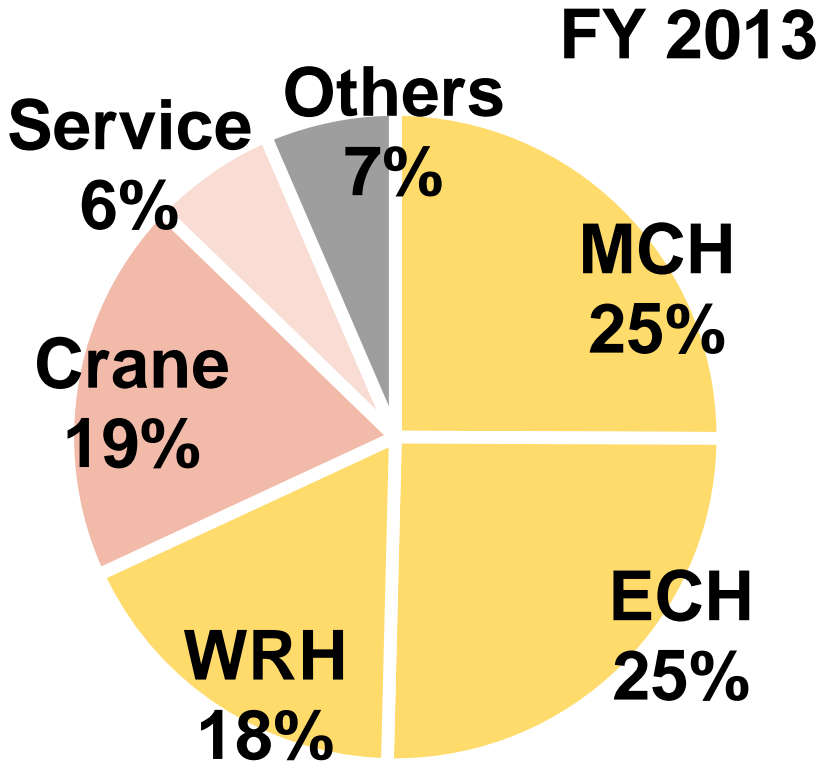
**Aug. 2014**  
**Acquired Peerless, the largest chain manufacturer in N-America.**

**Feb. 2016**  
**Acquired Kito Chain Italia, manufacturing chain related products.**



# Evolution of product portfolio

- In addition to organic growth, M&A initiatives in the US, Europe and Australia since 2014 have expanded our product portfolio.
- Hoist peripherals have been added to increase product diversity.



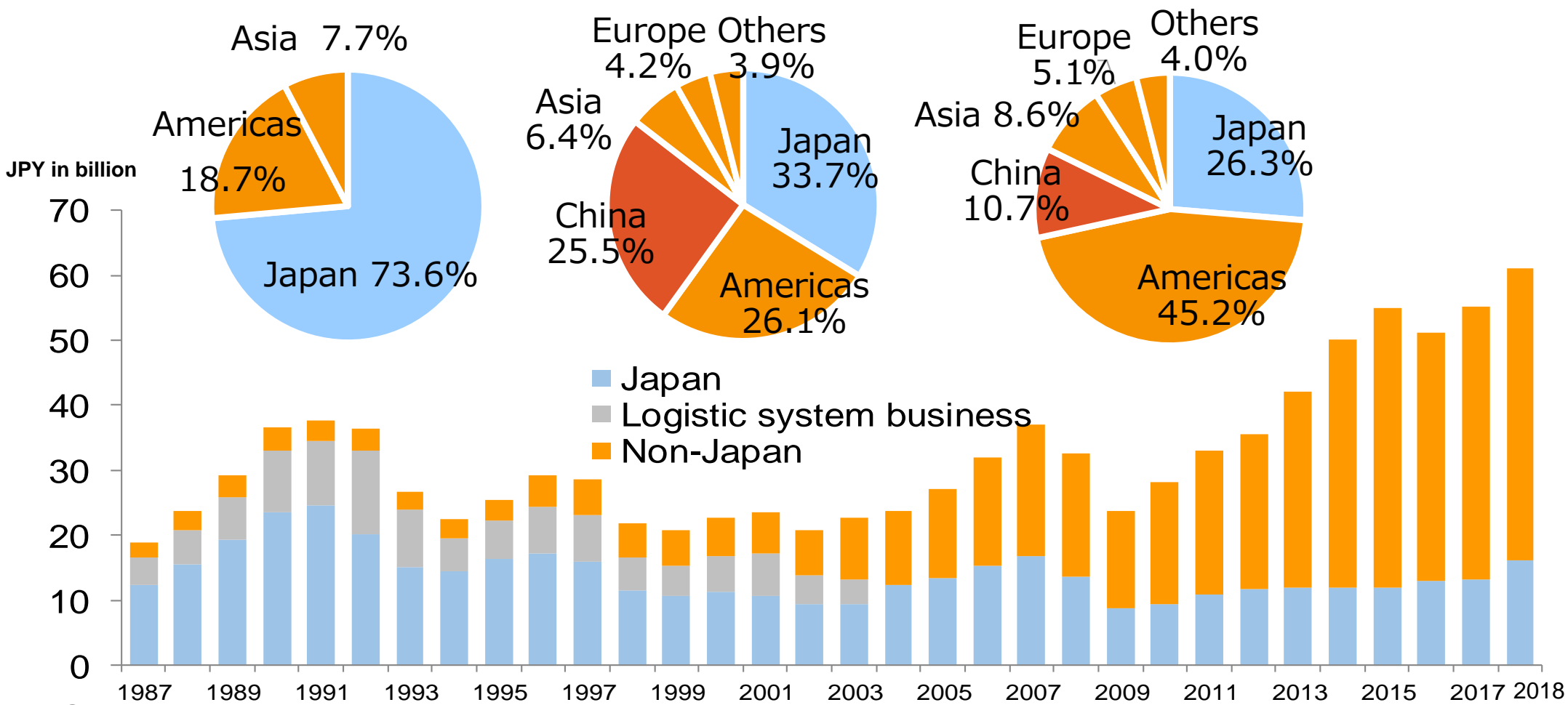
# Sales growth in overseas markets

- Growth in overseas markets helped build a business portfolio with good regional balance.
- Stable growth without depending on demand in any particular region

**FY2000 JP22.7 billion**

**FY2010 JPY28.0 billion**

**FY2018 JPY61.2 billion**



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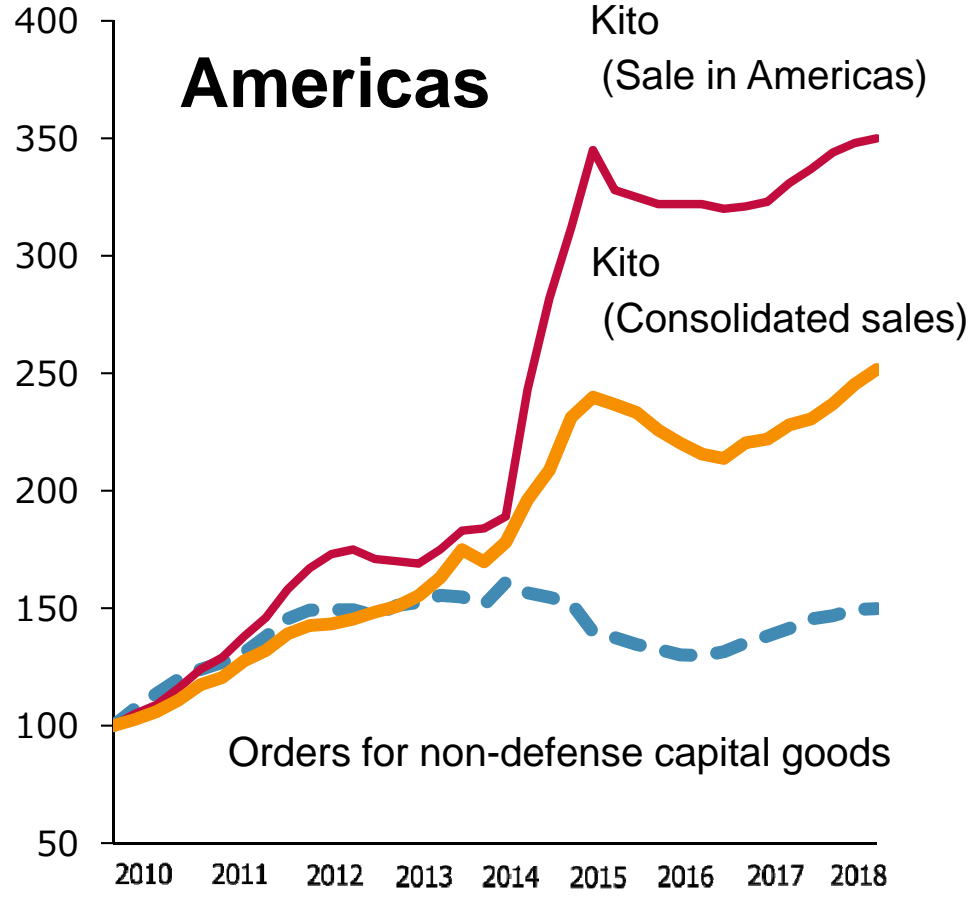
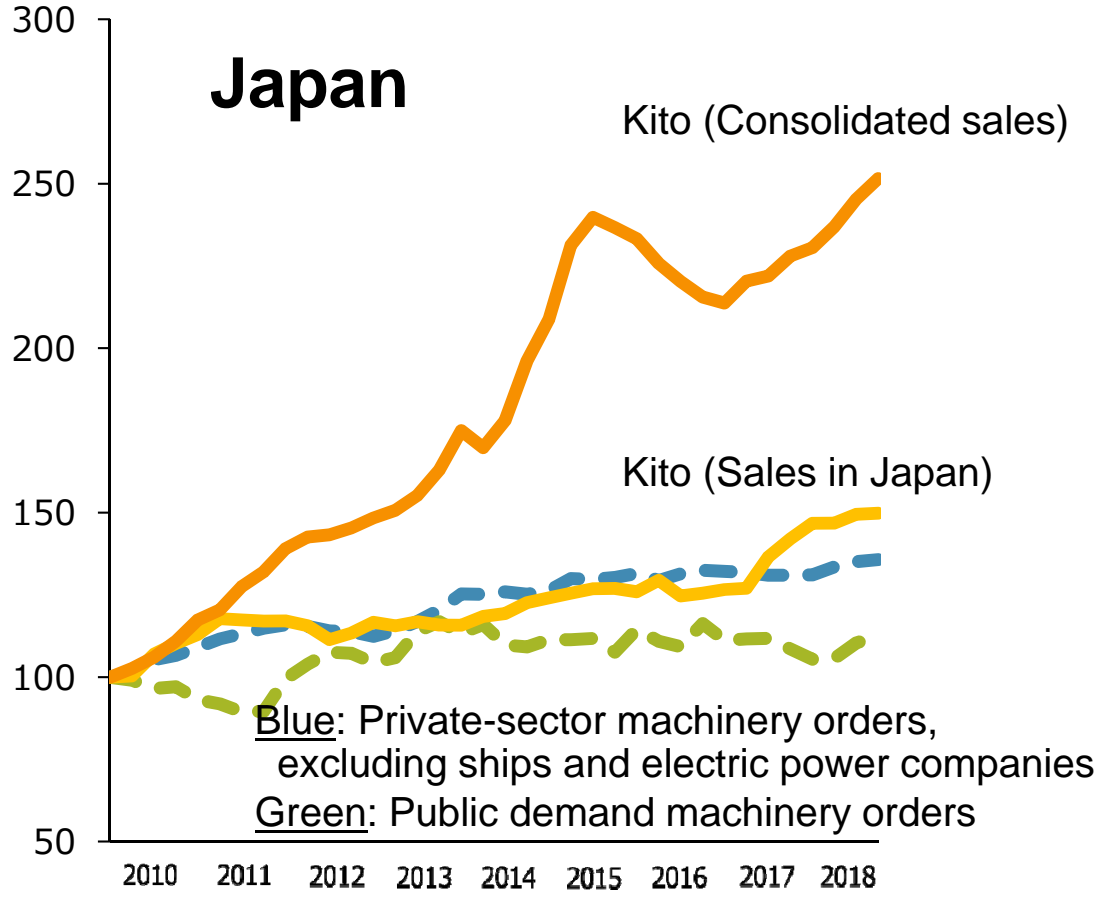
# Growth in overseas markets (Chinese operation)

- **We've explored the needs of growth industries despite concern about the nation's economic slowdown.**
- **Market share has grown due to increasing consciousness of safety and quality in the market.**
- **Reliably high levels of profit achieved: operating profit has averaged 10.8% over the past seven years.**
- **Over 90% of made-in-China products are sold in the domestic market.**

	<b>Jiangyin Kito (since 1995)</b>	<b>Shanghai Kito (since 2004)</b>
Products	Local production and sales, mainly of wire-rope hoists	Import sales of made-in-Japan chain hoists
Target	Manufacturers in China in general	Japanese and other foreign firms, and leading Chinese firms
% in total	80~85%	15~20%

# Kito's growth power

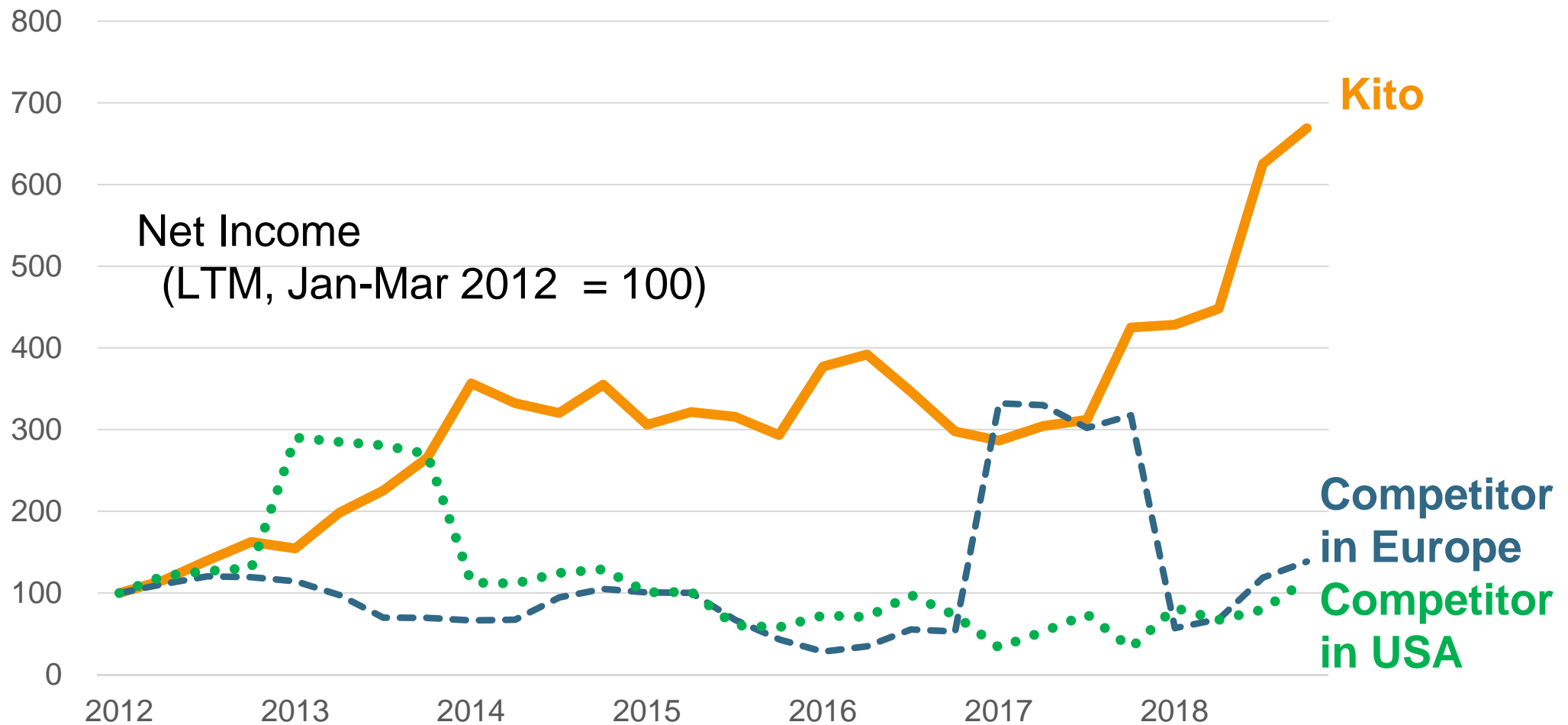
- Kito overachieves key economical index with diversified portfolio



LTM, Oct-Dec 2009 = 100

# Kito's growth power

- **Solid profit growth built on a well-balanced portfolio in terms of region and industry**
- **Striking profit growth relative to the rest of the industry**





# Management Goals

## Achieve the Three Management Goals to Double the Profitability

### **1** Return to a high margin business structure

- Renew production equipment
- Concentrate on high-margin business

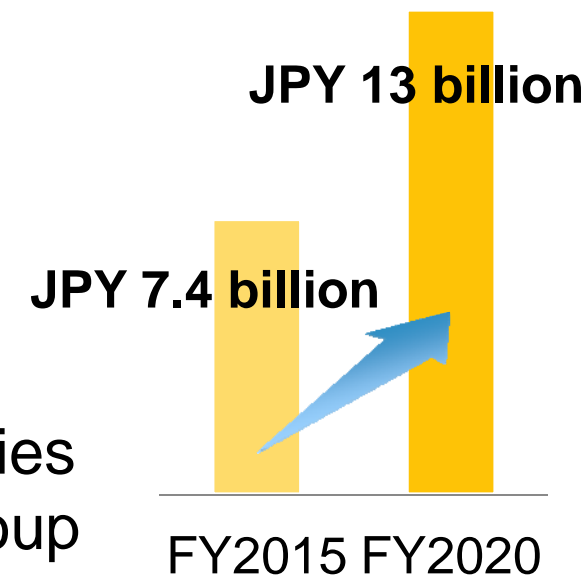
### **2** Growth through product portfolio expansion

- Develop new products
- Expand product offerings through M&A
- Expedite sales in new markets

### **3** Evolve into a Globally Integrated Enterprise

- Recruit and develop global HR
- Integrate ERP systems at HQ and primary subsidiaries
- Build a unified marketing database for the entire Group

Financial Target  
( EBITDA )

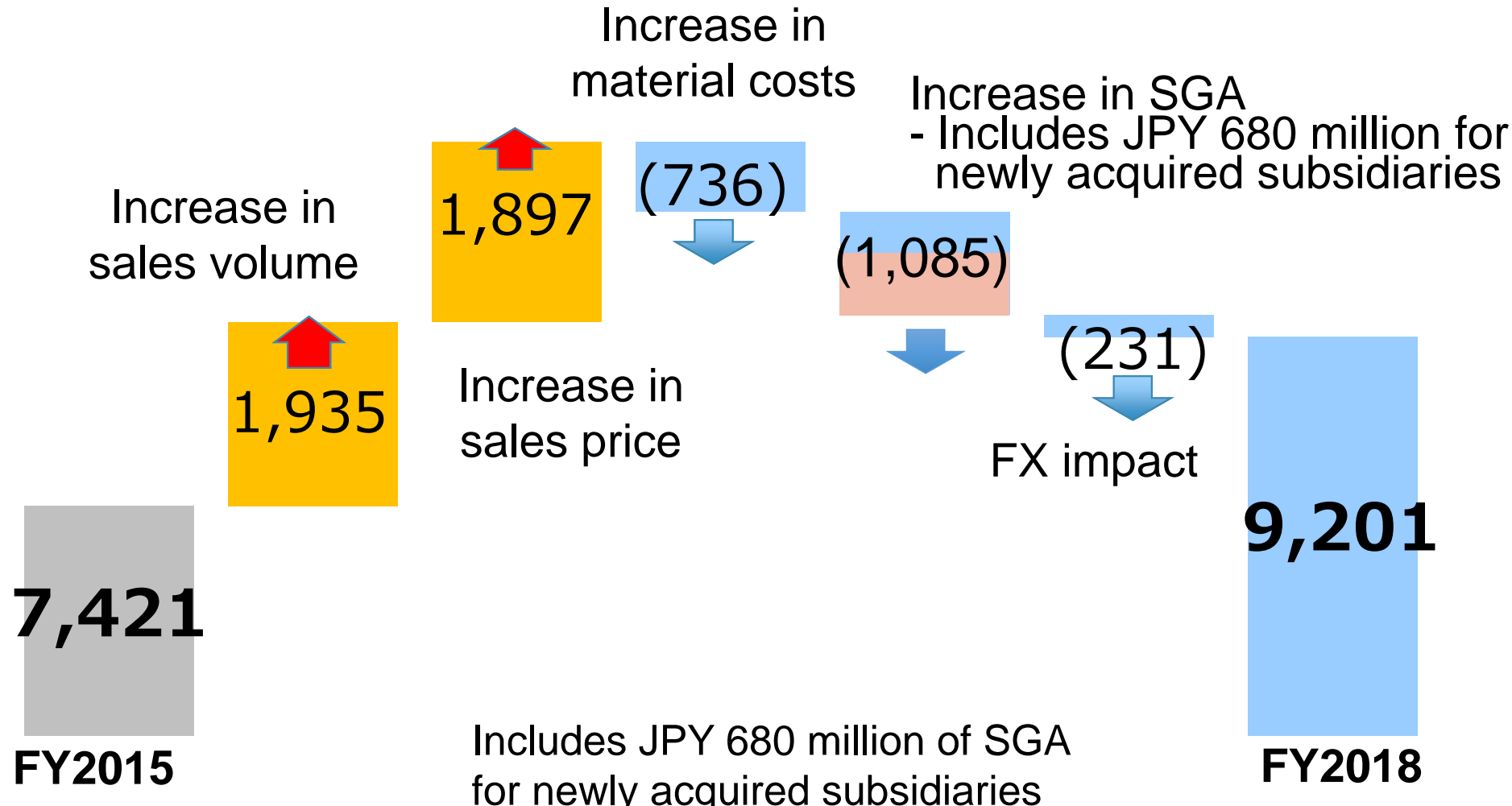


**Shift from Phase 1 (Create Strong Platform)**  
**to Phase 2 (Leverage Platform to Grow)**

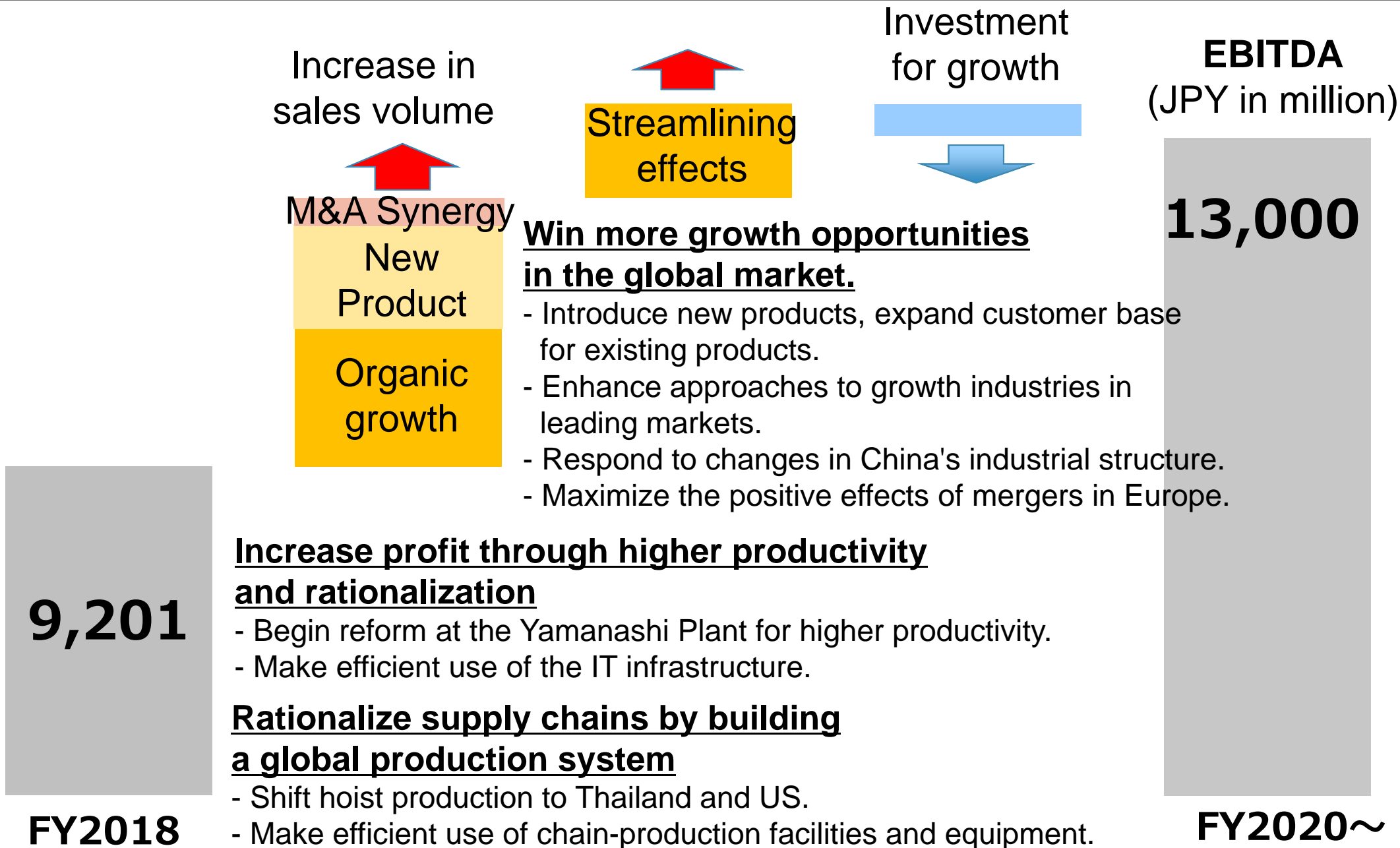
# EBITDA trend in MPT Phase 1 (Create Strong Platform)

- Completion of the IT investment for a stronger platform, from stable operation to higher operational efficiency
- Shift from Phase 1 (Create Strong Platform) to Phase 2 (Leverage Platform to Grow)

JPY in million



# Measures to achieve MTP goals



## “Lifting Expectations”

