kanamoto co., ltd.

CORPORATE PROFILE

Becoming the World's Top 5 General Construction Equipment Rental Companies by Combining the Full Strengths of the Kanamoto Group

Tetsuo Kanamoto
President and CEO
Kanamoto Co., Ltd.

Continuing to respond to the needs of society through our business

Our Company was established in Muroran City, Hokkaido, in 1964, the year of the Tokyo Olympics. Since then, with construction equipment rental as our core business, we have continued to grow together with the Japanese economy, developing sales offices throughout Japan, and also expanding business overseas since 2006. In our nearly 60 years of history, we have responded to the needs of society by contributing not only to infrastructure development but also to numerous disaster recoveries.

Construction equipment rental is an infrastructure business indispensable to society

From a broad scope, we can see that construction equipment rental has become an integral part of the construction industry, an infrastructure business that is indispensable to society. It cannot be said, however, that public recognition of the construction equipment rental business is high. As one of the earliest corporations to engage in this business and pioneer the market, we hope to contribute to solving issues facing the construction industry and society, such as addressing construction DX and decarbonization, and to create and provide new value, thereby increasing public awareness of the Group. We intend to continue to build the Kanamoto Brand, in which our customers and shareholders place their trust and expectations.

Building a stable management base with high technical capabilities

The Group's greatest strength lies in its high level of technical capabilities.
Rather than consolidating our maintenance staff into area-based centers, we assign them to the plants of each of our sales offices, where they perform meticulous maintenance on a daily basis. Uncompromising maintenance also helps increase the longevity of rental assets and enhance the asset value of equipment sold in the used equipment market. In the rental business, a key to success is to have a sufficient amount of available assets in a good condition. Through our complete maintenance system and the high level of skill and loyalty of our maintenance staff, we have successfully met this challenge and created a stable business foundation.

The potential of the rental business as an environmentally conscious business

It is our responsibility as a public company to contribute to the formation of a sustainable society. What is important is not merely to follow social trends in our work, but to properly associate them with our business, into which we incorporate our philosophy and practices for a sustainable society.
In terms of contributing to solving global environmental problems, the rental business itself epitomizes the sharing economy, and we believe that it is a business that reduces environmental impact. We are also playing a part in efforts to decarbonize the construction industry overall, promoting initiatives throughout our operations, such as replacing rental equipment with exhaust-controlled and hybrid equipment, and upgrading our own sales fleet to low-emission vehicles.

Continuing to take on challenges and grow into the future

Our growth to date has been the cumulative result of our efforts to follow the spirit of our Action Guidelines, which can be said to express our Corporate Philosophy. The Action Guidelines teach us that breakthroughs are born out of a culture that accepts change and a spirit of independence and self-reliance, and also that we must continue to take on challenges as we generate profit and continue to operate in a way that contributes to society. We believe that adapting this spirit to the times and boldly taking on challenges is our path toward achieving continual growth by responding to the rapidly changing business environment.
In order to continue to grow into the future, we will continue to take on the challenge of becoming one of the five best construction equipment rental companies in the world by marshaling the Group's collective strengths, while building a solid foundation for generating profits regardless of fluctuations in the business environment.

A company that all stakeholders can relate to

We would like to grow as a company that is sympathetic to all stakeholders and a company that they can relate to. In the future, we will continue to fulfill the Kanamoto Group philosophy to be an excellent and dynamic corporate group that uses its solid earnings as a base to reward shareholders, customers, and employees. We will strive to become a true general construction equipment rental company by executing the Medium-Term Management Plan "Creative 60" extending until the fiscal year ending October 31, 2024.

T. Kanamoto

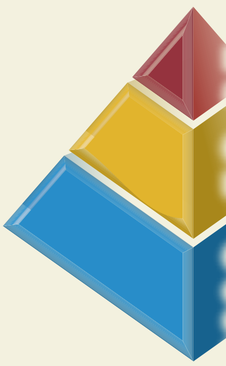
Action guidelines

Our steadfast action guidelines—the Kanamoto Corporate Philosophy —chart our course for the next 50 to 100 years.

1.Pursue innovation and mobilize every resource to energize our company
2.Always remember Kanamoto competes for profits
3.Maintain a self-directed and independent mind

The first guideline demonstrates our vision as an organization. The second embodies our role as a corporate organization to generate earnings. The third stresses the importance of not only thinking for yourself but taking initiative. All of our employees embody the spirit of these action guidelines as principles inspiring the entire Kanamoto Group.
The drive to maintain growth while responding to the bewildering changes in the business environment lies in our action guidelines, which have supported our history as a type of corporate philosophy. The pursuit of innovation without fear of breaking convention requires our employees to continuously renew their way of thinking. We must also expand and deepen the fields we take on. We are confident that by never wavering from these action guidelines will lead Kanamoto to new horizons.

Evolution into a Stronger Kanamoto Group



Group Corporate Philosophy
Become an excellent, dynamic corporate group that uses its solid earnings as a base to reward shareholders, customers and employees.

Group Vision
Build a foundation for sustainable growth.

Group Value
- Become a true general construction equipment rental company
- Act as a large-scale rental mall that functions as a centralized site for specialty stores
- Accumulate and share all types of solutions

Corporate Profile (As of October 31, 2022)

Company Name

Kanamoto Co.,Ltd.

Head Office

1-19, Odori Higashi 3-chome Chuo-ku, Sapporo,
060-0041 Japan

Business Coordination Headquarters

1-7-7, Shiba Daimon, Minato-ku, Tokyo 105-0012
Japan

Established

October 28, 1964

Capitalization

¥17,829 million (Paid-in capital)

Listing Exchanges

Tokyo Stock Exchange, Prime Market
Sapporo Securities Exchange

Stock Code

9678

Common Shares Issued and Outstanding

38,742 thousand

Consolidated Net Sales

¥188,028 million (Fiscal year ended October 31, 2022)

Number of Employees

Non-consolidated: 2,028 (Excluding directors and temporary or part-time workers)
Consolidated: 3,832 (Excluding directors and temporary or part-time workers)

Principal Businesses

Rental of construction equipment
Sale of steel products
Rental of engineering workstations and computer peripherals

Primary Lenders

MUFG Bank, Ltd.
North Pacific Bank, Ltd.
The 77 Bank, Ltd.
The Hokkaido Bank, Ltd.
JA - Hokkaido Shinren
Mizuho Bank, Ltd.
The Norinchukin Bank
The Aomori Bank, Ltd.
The Bank of Fukuoka, Ltd.
THE NISHI-NIPPON CITY BANK, LTD.
Others

Principal Shareholders

The Master Trust Bank of Japan, Ltd. (Trust account)
Custody Bank of Japan, Ltd. (Trust account)
SMBC Nikko Securities Inc.
ORIX Corporation
Kanamoto Capital Company
The Hokkaido Bank, Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Tokio Marine & Nichido Fire Insurance Co., Ltd.
North Pacific Bank, Ltd.
CEP LUX-ORBIS SICAV
Others

Primary Customers (Alphabetic order)

AICHI CORPORATION
Denyo Co., Ltd.
Fudo Tetra Corporation
HANWA CO., LTD.
HAZAMA ANDO CORPORATION
Hino Motors, Ltd.
Hitachi Construction Machinery Japan Co., Ltd.
HOKUETSU INDUSTRIES CO., LTD.
Isuzu Motors Limited
ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.
KAJIMA CORPORATION
Komatsu Customer Support Japan Ltd.
Kumagai Gumi Co., Ltd.
MAEDA CORPORATION
Mitsubishi Fuso Truck and Bus Corporation
MITSUI & CO., LTD
Nippon Caterpillar LLC
NISHIMATSU CORPORATION CO., LTD.
OBAYASHI CORPORATION
Okumura Corporation
PENTA-OCEAN CONSTRUCTION CO., LTD.
SAKAI HEAVY INDUSTRIES, LTD.
SHIMIZU CORPORATION
TADANO LTD.
TAISEI CORPORATION
Takenaka Corporation
TODA CORPORATION
Toyota Mobility Service Co., Ltd.
TSURUMI MANUFACTURING CO., LTD.
YANMAR CONSTRUCTION EQUIPMENT CO., LTD.
Others

History of Creating and Evolving Corporate Value

The history of Kanamoto began in Muroran City, Hokkaido—the center of steel manufacturing—in October 1964. Over the years, Kanamoto has pioneered change throughout the world and continued to spearhead its own evolution in many ways from transforming and expanding core businesses, developing strategic bases, and forming alliances to publicly listing company stock and entering into overseas markets. This section introduces the historic growth trajectory always in step with change at Kanamoto.

1964

- Kanamoto Shoten Co., Ltd. Established (Reorganization in Muroran, Hokkaido)
- Zenchu Kanamoto appointed President and Chief Executive Officer, and Taichu Kanamoto appointed Executive Director

Kanamoto Shoten in Kaigan-cho, Muroran

Safe from Kanamoto's sole proprietor era

Indigo blue dyed apron from the Kanamoto Shoten era

1971

- Began branch development in Hokkaido

Tomakomai Sub-branch (now the Tomakomai Branch)

1972

- Company name changed to Kanamoto Co., Ltd.

1973

- Former headquarters building (Muroran) completed

1979

- Established branch in Aomori Prefecture, marking the first expansion outside of Hokkaido (began branch development in the Tohoku Region)

Hachinohe Office
(now the Hachinohe Equipment Repair Center)

1981

- Taichu Kanamoto appointed President and Chief Executive Officer

1960s

Kanamoto comes into existence amid a period of rapid economic growth as an archetype of the construction machine rental business of today.

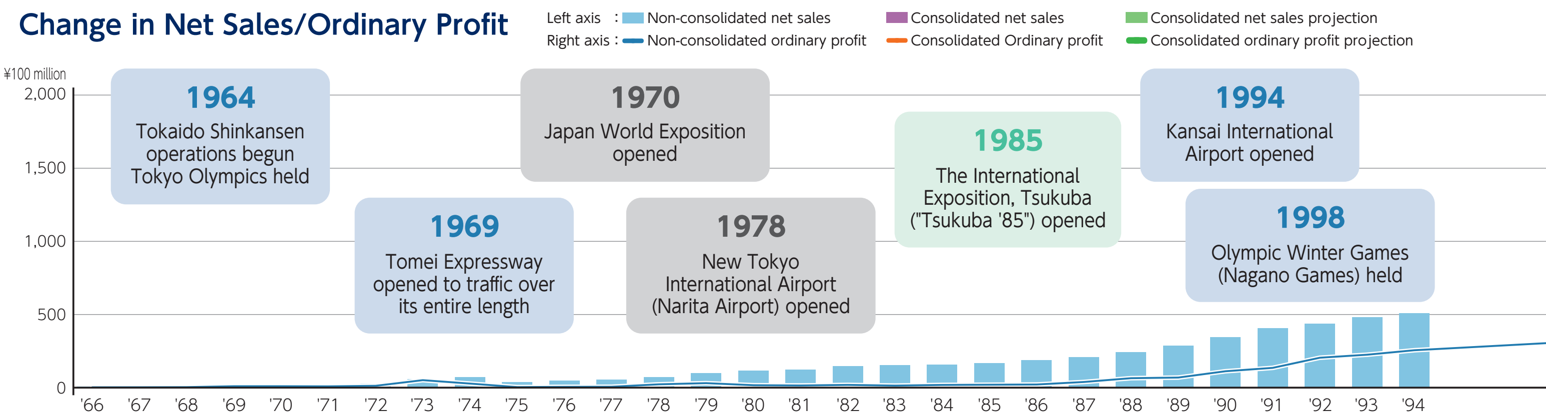
1970s

Branch expansion begins and core businesses transform, expand and penetrate new business domains.

1980s

The company grows into a public company and fosters new growth toward the information age.

Change in Net Sales/Ordinary Profit



1983

- Established branch in Chiba Prefecture (began branch development in the Kanto Region)
- Launched Computer and Peripheral Equipment Division as the Company's third operating division (Tomakomai, Hokkaido; relocated to Bunkyo-ku, Tokyo the following year)

1985

- Established the Construction Equipment Rental Division Tokyo Office (Bunkyo Ward, Tokyo)
- Completed online computer system network linking all branches

Computer Division equipment room in the 1980s

1991

- Listed stock on the Sapporo Securities Exchange

Sapporo Securities Exchange on the day Kanamoto's stock was listed

1994

- Established branch in Aichi Prefecture (began branch development in the Chubu Region)
- Established branch in Osaka Prefecture (began branch development in the Kinki Region)

1996

- Listed stock on the Second Section of the Tokyo Stock Exchange
- Relocated head office functions to Sapporo, Chuo Ward

Tokyo Stock Exchange on the day Kanamoto's stock was listed

1998

- Stock elevated to the First Section of the Tokyo Stock Exchange
- Kanchu Kanamoto appointed President and Chief Executive Officer, and Taichu Kanamoto appointed Chairman of the Board and Representative Director

Celebration commemorating elevation of stock to First Section of the Tokyo Stock Exchange

1999

- Completed construction on the Kanamoto Hamamatsucho K Building

Kanamoto Hamamatsucho K Building (Business Coordination Headquarters)

2000

- Began earnest execution of alliance strategy, including conclusion of alliance with Machida Kikou Co., Ltd. and acquisition of Kanatech Co., Ltd. stock

2004

- Established branch in Kagawa Prefecture (began branch development in Shikoku)

2006

- Established subsidiary in Shanghai, China and began expansion outside of Japan

2007

- Established branch in Hiroshima Prefecture (began branch development in the Chugoku Region)
- Introduced special benefits plan for shareholders

2014

- Changed stock trading unit size from 1,000 shares to 100 shares
- 50th anniversary of Kanamoto's establishment

2015

- Successively expanded operations into Indonesia, Vietnam, Thailand, the Philippines, and ASEAN countries
- Stock selected as a constituent issue for the JPX-Nikkei Index 400

2016

- Tetsuo Kanamoto appointed President and Chief Executive Officer, and Kanchu Kanamoto appointed Chairman of the Board and Representative Director
- Stock selected as a constituent issue for the JPX-Nikkei Mid and Small Cap Index

2017

- Established new companies in Thailand and Shanghai, China

2018

- Established branch in Fukuoka Prefecture (began branch development in Kyushu)
- Expanded operations into Malaysia

2020

- Expanded operations into Australia

KANAMOTO AUSTRALIA HOLDINGS PTY LTD

2022

- Transition to Tokyo Stock Exchange Prime Market

1990s

Sapporo Securities Exchange and Tokyo Stock Exchange list Kanamoto stock on the second section before a first section stock listing.

2000s

Kanamoto forms an alliance group and enters overseas markets for the first time.

2010～

Kanamoto celebrates its 50th anniversary and further hones its determination for innovation.

2004
Kyushu Shinkansen opened

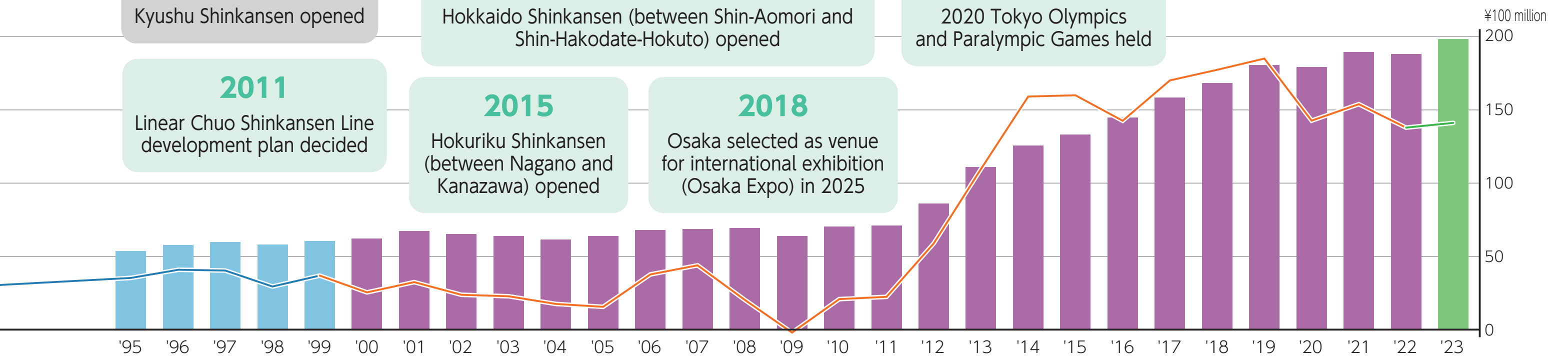
2011
Linear Chuo Shinkansen Line development plan decided

2016
Hokkaido Shinkansen (between Shin-Aomori and Shin-Hakodate-Hokuto) opened

2015
Hokuriku Shinkansen (between Nagano and Kanazawa) opened

2018
Osaka selected as venue for international exhibition (Osaka Expo) in 2025

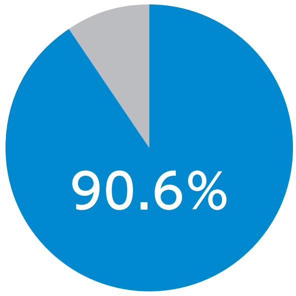
2021
2020 Tokyo Olympics and Paralympic Games held



Construction Equipment Rental Business

Respond to Work Site Requests and Quickly Fulfill Our Mission to Provide Rental Equipment as Social Infrastructure

The construction business accounts for roughly 90% of Kanamoto Group earnings.
This core business offers services that respond to every request received from construction sites, including civil engineering and construction.



FY2022
Percentage of net sales by business (consolidated)

A Full Line-up of Roughly 620,000 Rental Items in Japan

Kanamoto possesses roughly 620,000 rental equipment items made up of approximately 1,100 different models. Whether construction machinery from hydraulic excavators to dump trucks or temporary housing materials, generators, or various hand tools, we have put together a line-up of products that respond to every need. This broad line-up not only includes diverse models but also a wide selection of sizes and accessory options. Kanamoto works to provide a full line-up of items and comprehensive support as a one stop shop to satisfy the equipment procurement needs of our customers.

Flexible Operating Decisions to Capitalize on Rent and Sale

The basic business model for rental business is to recover investment outlays for the purchase of assets through rental income before ultimately selling of the equipment. Easing depreciation and extending the life of assets have been key themes for boosting Kanamoto profit margins. We also flexibly judge the timing of sales for used construction equipment models in high demand according to global market conditions.

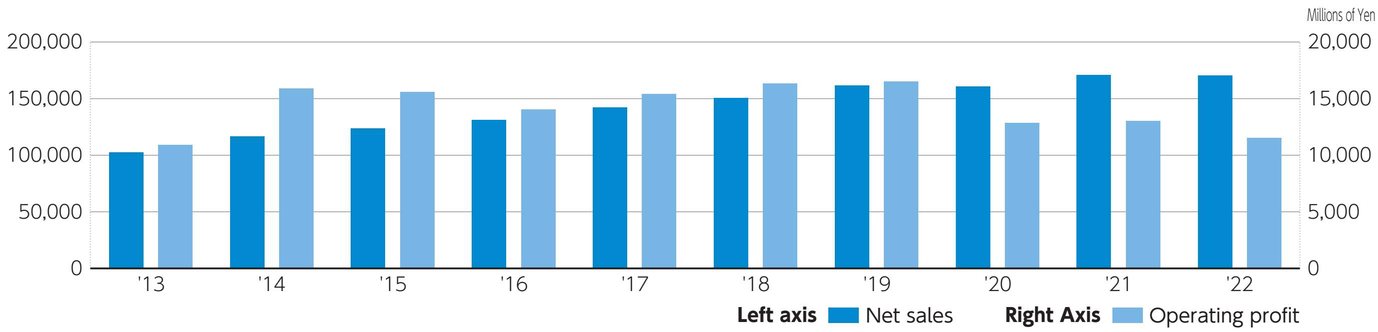
Reliable Maintenance Systems Set Up at Every Branch

Kanamoto alone has about 230 branches in Japan while the Group has more than 550 location bases. Every single one of these bases has highly-skilled maintenance staff who maintain the rental equipment on a daily basis to maximize their performance. Uncompromising maintenance also helps enhance the asset value of equipment sold in the used equipment market.

Substantial Compensation Systems to Rapidly Respond to Diverse Needs

Kanamoto has put in place compensation systems to fully insulate customers from accidents, theft and other inherent risks of construction equipment or vehicles during rental. In recent years, user needs to respond to these types of risks have diversified as the type of accidents and scope of compensation has grown more complex. Kanamoto has assigned compensation assessment managers to each region in an effort to provide the highest level of compensation assessment and services in order to not only incorporate customer needs but also offer peace of mind.

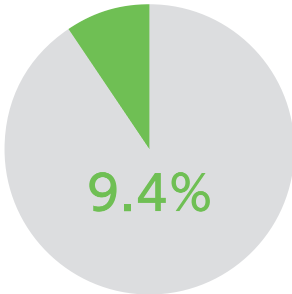
» Performance



Other Businesses

We will broaden earnings opportunities in a diverse range of sectors.

Kanamoto develops Steel Product Sales Business, Information Product Rental Business, welfare-related Business and a variety of other businesses alongside its core equipment rental business.



FY2022
Percentage of net sales by business(consolidated)

Steel Product Sales Business

Steel Product Supply Essential for Civil Engineering and Construction

The steel product sales business was a Kanamoto core business and the roots of its founding. We primarily sell general steel, sheet pile, single tube piping, and other steel products in Hokkaido. Kanamoto also builds Autoclave Lightweight Concrete (ALC), extruded cement panel, and other exterior walls, installs insulation, and executes various other specialized construction projects as well as sells and installs insulated waterproof KT roof systems and other construction materials. Our Group acts as both a material supplier and construction contractor to help customers minimize tedious preparations and cut costs. The Steel Sales Division will always supply the high-quality steel products essential to the civil engineering and construction work that supports infrastructure and our livelihoods.

Information Products Rental Business

Latest IT Rental Equipment Available at All Times

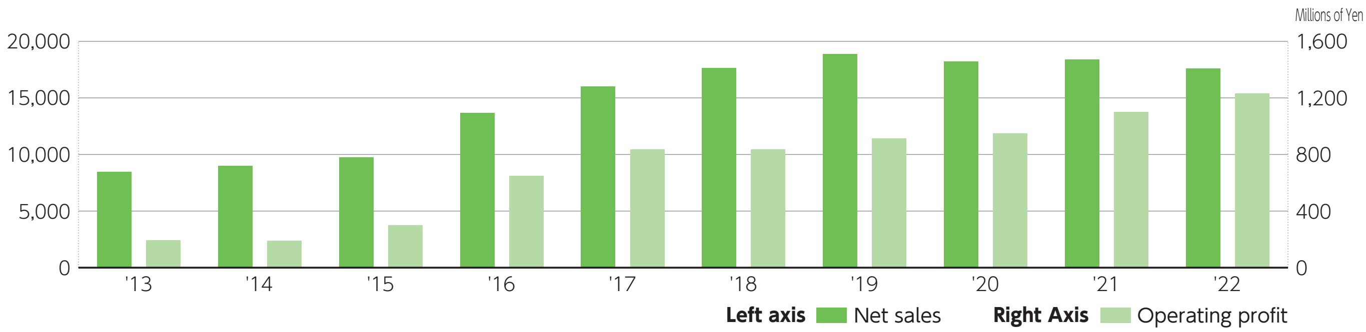
The Information Products Rental Business has continued to offer rentals of the latest IT equipment since its launch in 1983. In 2012, we opened the Kanamoto Cyberbrain Warehouse on Rakuten to expand business through the sale of IT equipment after rental to individual customers and other avenues as much as possible by acting as a bridge for everyone to IT technology. The evolution of technology in the computing industry is astounding. The Information Product Division actively proposes advanced customer-oriented services to offer the latest hardware and software.

Welfare-related Business

Broad Line-up to Support In-home Care

In the welfare business, Nishiken Co., Ltd. and Carewell Anshin Co., Ltd. rent and sell assistive technology and nursing care products. “Safety” and “Security” are keywords in welfare businesses. Our broad line-up from personal-use products to training equipment for care and prevention support the care-giving activities needed in each community and assist individuals receiving care to become more independent and mobile. Our unique service system goes further via uncompromising quality control encompassing everything from maintaining devices on-site at factories to ensuring prompt shipments.

» Performance



Branch Network

Promoting Favorable Business Alliances with Leading Companies Worldwide and M&A Strategy to Drive Synergy and Enable the Highest Quality Services

Branch Strategies in Japan

Our fundamental branch strategy in Japan fosters need-oriented development accounting for large scale projects in various regions while building a solid business base through expansion strategies in Tokyo and other metropolitan areas where public and private demand are concentrated in addition to from Kanto to the west and Kyushu where Kanamoto does not yet have a presence. Kanamoto will continue to build a more comprehensive branch network by effectively expanding branches while promoting favorable business alliances and M&A strategies with leading companies in each region.

Overseas Business Expansion

Kanamoto has steadily laid a foundation for business overseas since it opened bases in China while responding to the large-scale projects underway centered upon infrastructures, such as expressways, subways and harbor.
We also established local overseas affiliates in Indonesia, Vietnam, Thailand, the Philippines, China, and Malaysia between 2015 and 2018 as well as Australia in 2020 to accelerate business overseas and aims to capture the rental construction equipment demand in each country.
The expansion of our businesses overseas is one priority measure of the Kanamoto to penetrate the massive Chinese market, the remarkable growth in ASEAN nations and Australia that is roughly 20 times the size of Japan. In each of these countries, we anticipate demand for specialized civil engineering equipment, such as for ground improvement and tunneling, and aerial work platforms to grow in fields the Kanamoto Group has unique expertise. The Kanamoto Group will rapidly solidify its foundation for business overseas in the future by clearly addressing these large project needs.

» Kanamoto and Group company operating branches in Japan (As of February 1, 2023)

		Kanamoto Co., Ltd.	Consolidated Subsidiaries	Non-consolidated Subsidiaries	Affiliated Companies	Alliance Companies	Total
Domestic	Hokkaido	83	27	0	0	0	**110**
	Tohoku	59	36	0	6	1	**102**
	Kanto	42	34	16	1	5	**98**
	Chubu	24	9	5	3	2	**43**
	Kinki	9	25	1	1	11	**47**
	Chugoku	4	15	0	0	0	**19**
	Shikoku	4	1	0	0	0	**5**
	Kyushu	4	107	0	0	3	**114**
	Okinawa	0	0	0	0	12	**12**
Overseas	China	0	3	1	0	0	**4**
	Indonesia	0	0	1	0	0	**1**
	Thailand	0	0	3	0	0	**3**
	Philippines	0	0	0	1	0	**1**
	Vietnam	0	0	3	0	0	**3**
	Malaysia	0	0	1	0	0	**1**
	Australia	0	10	0	0	0	**10**
Total		229	267	31	12	34	**573**

Alliance Group

Development and Expansion of a Worldwide Sales Business Platform via an Ever Broadening Kanamoto Branch Network

The Kanamoto Group branch alliance boasts 550 locations in Japan and 573 locations with overseas combined.

kanamoto co.,ltd
229 branches

KANAMOTO AUSTRALIA HOLDINGS PTY LTD
Engaged in the asset management of five Porter Plant enterprises in Australia.
1 branch

KANAMOTO FECON HASSYU CONSTRUCTION EQUIPMENT RENTAL JSC
Engaged in the rental and sale of construction equipment in the Socialist Republic of Viet Nam.
3 branches

Assist Co., Ltd.
Engaged in the rental and sale of furniture, fixtures and safety products.
23 branches

MADICA PTY LTD
Engaged in the civil engineering and public construction in Australia.
1 branch

KANAMOTO & JP NELSON EQUIPMENT (M) SDN. BHD.
Engaged in the rental and sale of construction equipment in Malaysia.
1 branch

Kanatech Co., Ltd.
Engaged in the design and sale of modular housing units for temporary use.
13 branches

PORTER EXCAVATIONS PTY.LTD.
Engaged in the rental and sale of construction equipment in Australia.
5 branches

PT KANAMOTO INDONESIA
Engaged in the import and sale of construction equipment in Jakarta, Republic of Indonesia.
1 branch

Kanki Co., Ltd.
Engaged in the rental and sale of construction equipment.
8 branches

PORTER GROUP NOMINEES PTY LTD
Wholly-owned subsidiary of Porter Excavations Pty Ltd.
1 branch

SIAM KANAMOTO CO., LTD.
Engaged in the rental and sale of construction equipment in the Kingdom of Thailand.
2 branches

KG Flowtechno Co., Ltd. (株式会社 KGフローテクノ)
Engaged in the development of business in the rental and design, manufacture and sale of specialized equipment used for projects such as ground improvement work and the construction of underground structures.
2 branches

PORTER UTILITIES HOLDINGS PTY LTD
Wholly-owned subsidiary of Porter Utilities Pty Ltd.
1 branch

SK ADMINISTRATION SERVICE (THAILAND) CO., LTD.
Company entrusted with business of SIAM KANAMOTO CO., LTD.
1 branch

CENTRAL Co., Ltd.
Engaged in the rental and sale of construction equipment.
21 branches

PORTER UTILITIES PTY LTD
Engaged in the construction of gas facilities in Australia.
1 branch

Asahi Rentax Co., Ltd. (株式会社 朝日レンタックス)
Engaged in the rental and sale of furniture, fixtures and safety products.
6 branches

Sooki Holdings Co., Ltd. (株式会社 ソーキ)
Engaged in the oversight, management, instruction and further development of business activities of Sooki Co., Ltd. as its stock owner.
1 branch

KANAMOTO (CHINA) INVESTMENT CO., LTD. (卡纳磨拓)
Engaged in the rental and sale of construction equipment in Shanghai, People's Republic of China.
3 branches

TOYU ENGINEERING CO., LTD. (東友エンジニアリング)
Engaged in the rental and sale of specialized equipment for tunneling works.
3 branches

Sooki Co., Ltd. (株式会社 ソーキ)
Engaged in the rental and sales of measurement instruments, the development and rental of automated measurement systems, and on-site adoption and support.
9 branches

Carewell Anshin Co., Ltd. (ケアウェル安心)
Engaged in the rental and sale of nursing care products and nursing care services.
16 branches

MEIGI ENGINEERING CO.,LTD. (名岐エンジニアリング)
Engaged in the design, manufacture, rental and sale of shotcrete plants.
2 branches

Daiichi Kikaisangyo Co., Ltd. (第一機械産業)
Engaged in the rental and sale of construction equipment.
15 branches

Komatsu Doboku Tsusho Co., Ltd.
Engaged in the rental and sale of construction equipment.
4 branches

KNK MACHINERY & EQUIPMENT CORPORATION
Engaged in the rental and sale of construction equipment in the Republic of the Philippines.
1 branch

Toyo Industry Co., Ltd. (東洋工業)
Engaged in the rental and sale of shield tunneling method-related peripheral equipment.
3 branches

Safety ishikawa Co., Ltd.
Engaged in the rental and sale of furniture, fixtures and safety products.
1 branch

SUGAKIKAI KOGYO CO., LTD. (スガキカイ)
Engaged in the rental and sale of construction equipment.
22 branches

NISHIKEN CO., LTD.
Engaged in the rental and sale of construction equipment, rental and sale of welfare nursing care devices, and production and execution of image graphics.
106 branches

SOOKI SALES Co., Ltd. (株式会社ソーキ販売)
Engaged in the 3D measurement operations, 3D data analysis services, and the sale and rental of 3D scanners.
1 branch

Machida Kikou Co., Ltd. (町田機工)
Engaged in the rental and sale of construction equipment.
12 branches

Unite Co., Ltd.
Engaged in the rental and sale of road construction equipment and road works construction.
53 branches

SHANGHAI KG MACHINERY CO., LTD. (上海可基机械设备有限公司)
Engaged in development of a construction equipment rental business and construction equipment and construction materials import and export business in Shanghai, People's Republic of China.
1 branch

Consolidated subsidiaries indicated in blue, non-consolidated subsidiaries indicated in red, affiliated companies indicated in green, and alliance companies indicated in purple.

Kanamoto Value Creation Process

The Kanamoto Group creates value that helps address social issues through the development of global businesses centered upon construction, robust corpo-

Society and customer needs

Input: Management resources (Consolidated)

Output: Business activities

Injection of Sustainable Management Resources to Address Social Issues

Financial and investment capital
(As of October 2022)

Total assets

¥305,320 million

Capital investments in rental assets and other equipment prioritizing operational efficiency and profitability

Human capital
(As of October 2022)

Number of Employees

3,832

(Excluding directors and temporary or part-time workers)

Diverse human resources with high-level knowledge and skills

Social capital
(As of February 2023)

Branch network

Japan 550 locations

Overseas 23 locations

Branch network to build an ideal value change according to the demand in each region

Business domains

Construction Equipment Rental Business

Other Businesses
(Steel Product Sales Business, Information Products Rental Business, Welfare-related Business)

Medium-term management plan
FY2020-2024 **Creative 60**

Expansion of the Kanamoto Domestic Base of Operations
Concentrate the Collective Group Capabilities

×

Overseas Expansion
Upgrade Overseas Strategy 2.0 (Next Generation)

×

Optimize Internal Operational Processes
Increase Rental Business Profitability

Build infrastructure that supports business growth

- Corporate governance
- Compliance

Social Issues, Megatrends and Global Objectives

SUSTAINABLE DEVELOPMENT GOALS

rate governance and ideal organizations and structures, while integrating and using management resources founded in the needs of society and customers.

Outcome: Value created by Kanamoto

Kanamoto Strengths

- Broad customer base worldwide
- Technical and development capabilities responding to on-site demand
- High-quality products and services
- Brand power cultivated over almost half a century

Extensive Rental Asset Line-up of 620,000 Items

Excellent Maintenance Staff and Human Resources with High-level Skills

Responding to Equipment Development Needs via IoT and ICT Technologies

Operational System Enhancing Asset Availability and Profitability

FYE October 31, 2022
Economic value (Financial)

Net Sales ¥188,028 million

Profit attributable to owners of parent ¥8,345 million

Strengthen a high-profit structure and achieve a stronger Kanamoto benefiting all stakeholders

Increase value through consistency

Social value (Non-financial)

- Contribute to disaster recovery and reconstruction
- Reduce the environmental impact
- Improve employee satisfaction
- Return profits to shareholders

⋮

To Become a Company Contributing to a Safe, Prosperous Society with Values Shared by All Stakeholders

Re-investment Toward Further Value Creation

- Risk management
- Environmental management

Contributions Toward a Sustainable Society

ESG Management

Kanamoto sees ESG activities as a core management foundation and strives to become an enterprise entrusted with the future as a good corporate citizen coexisting with society.

ESG Overview

The Kanamoto Group conducts business for the purpose of becoming an enterprise entrusted with the future as a good corporate citizen coexisting with society. The shareholders, investors, business partners, employees, local communities and many other stake-holders make Kanamoto business activities possible as it expands overseas. To achieve our mission and foster sustainable growth, the Kanamoto Group must build close and trusting relationships with our stakeholders through proper corporate conduct. We position and practice ESG as a central aspect of Group management.

Contributions to the Success of the Sustainable Development Goals (SDGs)

The seventeen Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015 are globally shared objectives which at the same time require innovation from the private sector.
The Kanamoto Group also recognizes the importance of helping achieve the SDGs through its business activities. We have identified the SDGs most relevant to our Group businesses from these seventeen and promote initiatives founded in the priority themes shown in the table below toward the success of these objectives.

» The Kanamoto Group's priority themes for ESG

		Priority Themes	Relevant SDGs
Value creation		Businesses contributing to SDGs	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 14 Life below water; 15 Life on land; 17 Partnerships for the goals
Foundation supporting value creation	E	● A business called "rental" that leads to decarbonization ● Asset shift to environmental measures for decarbonization ● Initiatives for TCFD	6 Clean water and sanitation; 7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land
	S	● Comprehensive disclosure and IR activities	10 Reduced inequalities; 16 Peace, justice and strong institutions
		● Contributions to local communities as well as art and culture	4 Quality education; 17 Partnerships for the goals
		● Stronger health and safety systems	3 Good health and well-being; 8 Decent work and economic growth
		● Environment inspiring human resource development	3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 16 Peace, justice and strong institutions
	G	● Corporate governance ● Compliance ● Internal control systems ● Risk management	5 Gender equality; 10 Reduced inequalities; 16 Peace, justice and strong institutions

Basic Sustainability Policy

Everyone working in the Kanamoto Group will aim to build a foundation for sustainable growth, which is part of our Group Vision, and to contribute to the development of a sustainable society as a member and good corporate citizen of society.

1. We will aim to help combat climate change and other global environmental issues by capitalizing on the unique sharing economy traits of a rental business.
2. We will aim to help improve labor conditions throughout society by respecting human rights and consideration toward employee health and work environment.
3. We will aim for sustainable and mutual prosperity by engaging in fair and proper business dealings with our partners.
4. We will aim to enhance disaster prevention and mitigation and the national resilience of Japan as well as improve crisis management of natural disasters and other calamities as core principles of Kanamoto's crisis management.

Kanamoto Group Activities
Kanamoto products and services will create new value that helps achieve the SDGs and contribute to the development of a sustainable society.
Kanamoto will acknowledge the connection between all of its business activities and the environment, reduce its environmental burden, and preserve biodiversity to realize a sustainable society even with limited global resources by complying with environmental laws and regulations and promoting appropriate environmental management.
Kanamoto will practice highly transparent and prompt information disclosure, broaden its disclosure mediums, and enhance IR activities for shareholders and investors in Japan and overseas.
Kanamoto will aim to strengthen partnerships with local communities, contribute to arts, culture, and education as well as facilitate better communication.
Kanamoto will aim to maintain and improve workplace environments so that all executives and employees can work safely, energetically and with good mental and physical wellbeing.
Kanamoto will aim to build an environment inspiring innovation by ensuring diverse human resources with different perspectives and modes of thinking can each be themselves and fully utilize their skills.
Kanamoto will promote and strengthen compliance and corporate governance by acknowledging that corporate governance and compliance are critical management challenges to enhance corporate value.

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