

To All Concerned Parties

Kanamoto Company, Limited

Stock Code 9678

Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange

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Notification Concerning Revision of Projected Full-year Operating Results

Kanamoto Company, Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, has made the following revisions to its projected consolidated and non-consolidated full-year operating results for the fiscal year ending October 31, 2006 (November 1, 2005 - October 31, 2006) provided in the Interim Financial Statements Bulletin (Consolidated) and Summary of Company Interim Financial Statements, respectively, released on June 9, 2006.

1. Fiscal year ending October 2006 Revision of projected operating results

(November 1, 2005 – October 31, 2006)

(Consolidated)

(Millions of yen)

	Revenues	Operating income	Ordinary income	Fiscal year net income
Prior projection (A)	66,050	3,630	3,420	1,260
Revised projection (B)	68,020	4,060	3,780	1,740
Increase (decrease) (B – A)	1,970	430	360	480
Rate of change (%)	3.0%	11.8%	10.5%	38.1%
Prior fiscal year operating results (Fiscal year ended October 2005)	63,975	1,404	1,550	352

Reference: Projected net income per share (full-year) ¥57.41

2. Fiscal year ending October 2006 Revision of projected operating results

(November 1, 2005 – October 31, 2006)

(Non-consolidated)

(Millions of yen)

	Revenues	Operating income	Ordinary income	Fiscal year net income
Prior projection (A)	59,600	3,330	3,430	1,310
Revised projection (B)	60,750	3,710	3,730	1,720
Increase (decrease) (B–A)	1,150	380	300	410
Rate of change (%)	1.9%	11.4%	8.7%	31.3%
Prior fiscal year operating results (Fiscal year ended October 2005)	57,202	1,526	1,960	609

Reference: Projected net income per share (full-year) ¥56.67

3. Reasons for the revision

Based on the decline in demand in regions where economic recovery has been slow and cutbacks in orders for public works construction by local governments, the Company initially projected demand in Kanamoto's main business of construction equipment rentals also would experience slow growth in the second half of the fiscal year. Demand in the Tohoku Region has remained robust because of Kanamoto's ability to secure orders for private sector demand, however, and demand in other areas of Honshu and the Kyushu Region also has expanded at a comparatively steady pace.

Furthermore, the Company has been able to respond accurately to construction equipment rental demand throughout Japan and maintain operating results at the level of the previous fiscal year, even in the Hokkaido Region where Kanamoto anticipated an especially severe environment. As a result, the outlook for revenues now exceeds management's previous (interim period) projection.

From an earnings perspective, the Company steadily improved operating income and ordinary income as well. This reflected the gradual realization of results from various measures instituted under the long-term management plan the Company currently is implementing, including improved operating efficiency of rental equipment assets, as projected when Kanamoto announced its interim period operating results. Net income also is projected to substantially exceed the Company's initial expectation, boosted by extraordinary profits including gains on sale of land appropriated for business use.

Kanamoto plans to announce its Accounting Bulletin (Consolidated) and Summary of Company Financial Statements for the fiscal year ending October 2006 on Friday, December 8, 2006.

End