

To All Concerned Parties

Kanamoto Company, Limited

Stock Code 9678

Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange

Nobuhito Utatsu

Director and Corporate Officer, Division Manager, Accounting Division

< Contact for inquiries concerning this material >

Yuichi Takayama

IR & Public Relations Section Manager, Office of the President

Telephone: + 81 – 11 – 209 – 1631

Notification Concerning Revision of Projected Interim and 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 interim and full-year operating results for the fiscal year ending October 31, 2007 (November 1, 2006 - October 31, 2007) provided in the Accounting Bulletin (Consolidated) and Summary of Company Financial Statements, respectively, released on December 8, 2006. These revisions reflect the trends in the Company's most recent operating results.

SEC Accounting Standards: The Company has not adopted SEC accounting standards

(Millions of yen, except net income per share which is in yen)

1. Revised projection of consolidated operating results

(1) Fiscal year ending October 2007, interim period

(November 1, 2006 – April 30, 2007)

	Revenues	Operating income	Ordinary income	Interim net income	Net income per share
Prior projection (A)	35,530	2,940	2,870	1,830	60.28
Revised projection (B)	36,230	3,430	3,420	2,380	72.44
Increase (decrease) (B—A)	700	490	550	550	—
Rate of change (%)	2.0%	16.7%	19.2%	30.1%	—
Prior fiscal year interim results (Fiscal year ended October 2006)	34,520	2,873	2,801	1,048	35.12

(2) Fiscal year ending October 2007, full year

(November 1, 2006 – October 31, 2007)

	Revenues	Operating income	Ordinary income	Net income	Net income per share
Prior projection (A)	68,570	4,230	4,020	2,360	71.82
Revised projection (B)	68,700	4,600	4,700	2,400	73.05
Increase (decrease) (B—A)	130	370	680	40	—
Rate of change (%)	0.2%	8.7%	16.9%	1.7%	—
Prior fiscal year results (Fiscal year ended October 2006)	68,023	4,068	3,788	1,742	57.41

2. Revised projection of non-consolidated operating results**(1) Fiscal year ending October 2007, interim period**

(November 1, 2006 – April 30, 2007)

	Revenues	Operating income	Ordinary income	Interim net income	Net income per share
Prior projection (A)	32,010	2,610	2,700	1,770	58.31
Revised projection (B)	32,440	3,070	3,190	2,320	70.61
Increase (decrease) (B—A)	430	460	490	550	—
Rate of change (%)	1.3%	17.6%	18.1%	31.1%	—
Prior fiscal year results (Fiscal year ended October 2006)	30,764	2,496	2,569	955	31.99

(2) Fiscal year ending October 2007, full year

(November 1, 2006 – October 31, 2007)

	Revenues	Operating income	Ordinary income	Net income	Net income per share
Prior projection (A)	61,540	3,900	4,000	2,410	73.34
Revised projection (B)	62,000	4,300	4,700	3,000	91.31
Increase (decrease) (B—A)	460	400	700	590	—
Rate of change (%)	0.7%	10.3%	17.5%	24.5%	—
Prior fiscal year results (Fiscal year ended October 2006)	60,753	3,715	3,739	1,720	56.67

3. Reasons for the revision

In the Honshu Region, net sales are growing as planned as the Company diligently pursues private sector demand in response to projected continuing cutbacks in public works. In addition, revenues in the Hokkaido Region have risen substantially compared with the same period of the previous fiscal year because of effective, detailed business development efforts. As a result of these and other factors, revenues are increasing in each of the Company's markets throughout Japan, and are projected to exceed the Company's initial interim projection.

From an earnings perspective, Kanamoto projects operating income, ordinary income and net income will exceed its initial projection because the Company has been able to sustain the strong, positive effects generated by implementation of Kanamoto's long-term management plan beginning in the previous consolidated fiscal year.

During the second half of the fiscal year, the business environment surrounding the Kanamoto Group will be unchanged and will remain severe, as a result of negative factors such as anticipated delays in the start of new construction works under the influence of the upcoming House of Councilors election. Kanamoto believes it is especially susceptible to these influences, because its consolidated subsidiaries are small in size and are developing their businesses mainly in local areas. Consequently, the revisions to Kanamoto's full year operating results projection have been limited to extremely conservative corrections.

End