

Thursday, September 20, 2007

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 Full-Year Operating Results Based on Extraordinary Profits From Reversal of Reserves

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, 2007 (November 1, 2006 - October 31, 2007). These revisions reflect the change to net income for the business period resulting from the reversal of reserves as described below.

1. Revised projection of consolidated operating results for the FY Ending October 31, 2007

(November 1, 2006 - October 31, 2007)

(Consolidated)

(Millions of yen)

| | Revenues | Operating income | Ordinary income | Net income |
|--|----------|------------------|-----------------|------------|
| Prior (interim) projection (A) | 68,700 | 4,600 | 4,700 | 2,400 |
| Revised projection (B) | 68,700 | 4,600 | 4,700 | 3,150 |
| Increase (decrease) (B – A) | 0 | 0 | 0 | 750 |
| Rate of change (%) | 0.0% | 0.0% | 0.0% | 31.3% |
| Prior fiscal year results (FY Ended October 2006) | 68,023 | 4,068 | 3,788 | 1,742 |

< Reference > Projected net income per share (full year) 95.88 yen

2. Revised projection of non-consolidated operating results for the FY Ending October 31, 2007

(November 1, 2006 - October 31, 2007)

(Non-consolidated)

(Millions of yen)

| | Revenues | Operating income | Ordinary income | Net income |
|--|----------|------------------|-----------------|------------|
| Prior (interim) projection (A) | 62,000 | 4,300 | 4,700 | 3,000 |
| Revised projection (B) | 62,000 | 4,300 | 4,700 | 3,700 |
| Increase (decrease) (B－A) | 0 | 0 | 0 | 700 |
| Rate of change (%) | 0.0% | 0.0% | 0.0% | 23.3% |
| Prior fiscal year results (FY Ended October 2006) | 60,753 | 3,715 | 3,739 | 1,720 |

< Reference > Projected net income per share (full year) 112.62 yen

3. Reasons for the revision

The Company revised the respective consolidated and non-consolidated net income included in the operating results projections released in June because Kanamoto will book a gain on reversal of accrued employees retirement benefits totaling 845 million yen as non-consolidated and consolidated extraordinary profits, as a result of the negative past service liability calculated in conjunction with the revision of Kanamoto's pension system.

Kanamoto has no plans at the present time to revise its projected consolidated and non-consolidated revenues, operating income and ordinary income.

4. Other matters

Kanamoto plans to release its Accounting Bulletin (Consolidated) and Non-consolidated Financial Statements for the Business Period Ending October 2007 on Friday, December 7, 2007.

End