

For Immediate Release

Kanamoto Company, Limited
Stock Code 9678
Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange
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Notification Concerning Acquisition of Stock (Conversion to Subsidiary Company)

At its Board of Directors meeting held on June 6, 2008, the Board of Directors of Kanamoto Company, Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, approved a resolution to acquire the stock of Toyo Industry Co., Ltd. (President: Masayuki Seki; Head Office: Taito Ward, Tokyo) and make that company a subsidiary. Both companies signed a mutual agreement today to conclude the transaction.

1. Reason for the acquisition of stock (conversion to a subsidiary)

Toyo Industry Co., Ltd. is the largest company in the rental industry for various equipment used with the shield tunneling method. Many of its customers are large, well-respected general contractors, and Kanamoto and Toyo Industry believe this stock acquisition and conversion of Toyo Industry to a Kanamoto subsidiary will result in synergistic effects for future business development. In addition, although the trend for works using the shield tunneling method is declining in Japan, Kanamoto believes it can achieve significant results in the future both domestically and overseas because this technique will be necessary and indispensable for urban civil engineering works in developing countries, and because Kanamoto can take maximum advantage of Toyo Industry's knowledge and experience in combination with techniques such as ground improvement works in which Kanamoto excels.

2. Summary of the transferred subsidiary

(1) Trade name	Toyo Industry Co., Ltd.
(2) Representative	President Masayuki Seki
(3) Head office location and URL	2-21-13, Yanagibashi, Taito Ward, Tokyo http://www.toyoindustry.co.jp/
(4) Established	December 1965
(5) Business	Rental and sale of related equipment used for shield tunneling works
(6) Fiscal year-end	November 30
(7) Employees	40
(8) Offices	Head Office, Osaka Branch, Chiba Plant, Nagara Kizai Center
(9) Capital and total issued shares	Capital: 31 million yen Total issued shares: 62,400 shares
(10) Shareholders	Treasury stock (52.4%); Norikazu Seki, others (47.6%)
(11) Most recent FY operating results	Revenues: 1,112 million yen (FY ended November 2007)

3. Stock to be acquired and number of acquired shares

Kanamoto will acquire all of the shares of Toyo Industries except treasury stock from Toyo Industry's shareholders.

4. Schedule

June 06, 2008	Approval of resolution by Kanamoto's Board of Directors
June 12, 2008	Signing of mutual agreement (Agreement to Sale and Acquisition of Shares)
Early July 2008	Expected date for sale and purchase of stock

5. Outlook for Toyo Industry Co., Ltd.'s future operating results

For the time being Toyo Industry will continue operating under its current organization, with Kanamoto planning to dispatch several executives to Toyo Industries in the future. Details of other matters are undecided at present. For the consolidated accounting settlement for the Business Period ending October 2008, Kanamoto plans to consolidate Toyo Industry on the balance sheet only as a consolidated subsidiary. The new subsidiary will be included in Kanamoto's Consolidated Statements of Income beginning from the next Business Period. As a result, the acquisition will not have any affect on Kanamoto's operating results for the current business period.

End