

For Immediate Release

Kanamoto Company, Limited

Stock Code 9678

Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange

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Notification Concerning Revision of Interim Period Operating Results and Projected Full-Year Operating Results for the Business Period Ending October 2009

Kanamoto Company, Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, has revised its projected consolidated and non-consolidated operating results for the interim period ending April 30 (November 1, 2008 - April 30, 2009) and the business period ending October 31, 2009 (November 1, 2008 - October 31, 2009) released on March 9, 2009. Details are provided below.

1. Revised projection of consolidated operating results

(1) Interim period consolidated operating results for the business period ending October 31, 2009

(November 1, 2008 - April 30, 2009)

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

	Revenues	Operating Income	Ordinary Income	Net Income	Net income per share
Prior projection (A)	32,300	780	580	-130	-3.96
Revised projection (B)	32,550	920	790	-150	-4.57
Increase (decrease) (B-A)	250	140	210	-20	—
Rate of change (%)	0.8%	17.9%	36.2%	—	—
(Reference) Prior fiscal year (Interim period ended April 30, 2008)	37,236	2,918	2,833	1,476	44.97

(2) Fiscal year consolidated operating results (November 1, 2008 - October 31, 2009)

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

	Revenues	Operating Income	Ordinary Income	Net Income	Net income per share
Prior projection (A)	63,900	510	90	-800	-24.36
Revised projection (B)	64,850	320	40	-990	-30.15
Increase (decrease) (B-A)	950	-190	-50	-190	—
Rate of change (%)	1.5%	-37.3%	-55.6%	—	—
(Reference) Prior fiscal year (Business period ended October 31, 2008)	69,411	2,227	2,028	644	19.61

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2. Revised projection of non-consolidated operating results

(1) Interim period non-consolidated operating results for the business period ending October 31, 2009

(November 1, 2008 - April 30, 2009)

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

	Revenues	Operating Income	Ordinary Income	Net Income	Net income per share
Prior projection (A)	27,200	540	410	-230	-7.00
Revised projection (B)	27,350	630	540	-320	-9.74
Increase (decrease) (B-A)	150	90	130	-90	—
Rate of change (%)	0.6%	16.7%	31.7%	—	—
(Reference) Prior fiscal year (Interim period ended April 30, 2008)	32,127	2,782	2,734	1,435	43.70

(2) Fiscal year non-consolidated operating results (November 1, 2008 - October 31, 2009)

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

	Revenues	Operating Income	Ordinary Income	Net Income	Net income per share
Prior projection (A)	54,600	330	50	-720	-21.92
Revised projection (B)	54,850	470	240	-730	-22.23
Increase (decrease) (B-A)	250	140	190	-10	—
Rate of change (%)	0.5%	42.4%	380.0%	—	—
(Reference) Prior fiscal year (Business period ended October 31,	60,473	2,461	2,369	183	5.59

3. Reasons for the revision

(Fiscal year ending October 2009 Interim operating results forecast)

The economic environment surrounding Kanamoto through the second quarter exhibited some bright spots, as progress by major enterprises to adjust inventories, coupled with economic stimulus policies targeting personal consumption, began to gradually achieve positive results. These failed to produce a recovery in employment and private sector capital investment, however, and the domestic economy deteriorated further, exhibiting the worst GDP growth rate ever recorded. In the construction industry in particular, the extremely severe management environment remained unchanged, as leading local firms and housing construction companies continued to file for bankruptcy, and as construction investment in the Tokyo metropolitan area, which had remained steady, began to slow.

In the construction equipment rental business, the competition in various regions has intensified because of an absolute decline in construction demand. At the same time, rental unit prices are exhibiting a downward trend, centered on models affected by a collapse in the balance of demand-and-supply. These conditions are having a serious influence not only on Kanamoto but on the operating results of its consolidated subsidiaries. Although the Kanamoto Group has expanded its market share in each region, the Company now projects the increase in net sales will be only slightly higher than the revised operating results projection released on March 9.

From an earnings perspective, the Company projects both operating income and ordinary income will exceed its earlier revised projection because of a rental equipment cost depletion effect. On the other hand, unfortunately, the Company will post an extraordinary loss on valuation of negotiable securities, and forecasts a net loss for the first half. Based on the above considerations, the Company has revised its interim period (cumulative second quarter) operating results projection.

(Fiscal year ending October 2009 Full-year operating results forecast)

Although the government enacted two supplementary budgets in the prior fiscal year and the budget and domestic demand stimulus plan for the new fiscal year in rapid succession, these public works are not expected to have a broad effect until after the latter half of the fourth quarter of the fiscal year. Moreover, a nationwide recovery in construction demand appears unlikely because the outlook for large-scale private sector capital investment

remains clouded. Because it judges the severity of the current operating environment will continue until the end of the current fiscal year, Kanamoto has also revised its operating results projection for the full fiscal year.

4. Other matters

With regard to dividends, the Company plans to pay an interim dividend of ¥10 per share (ordinary dividend) according to its initial plan. The Company will decide the amount of its year-end dividend, however, after considering the trend in operating results in conjunction with the future direction of the operating environment.

These projected consolidated operating results were prepared using projections based on information available to the Company as of the date this material was released and forecasts of the future economic, environment, and include various risks and uncertainty factors. Accordingly, there is a possibility the Company's actual consolidated operating results will differ from the projected amounts shown above as a result of various future factors, including but not limited to economic conditions surrounding the Company, market trends, and competitive conditions. The Company will announce its Interim Financial Statements Bulletin for the second quarter of the Business Period ending October 2009 on June 5.

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