

For Immediate Release

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Notification Concerning Revision of Projected Full-year Operating Results for the Fiscal Year Ended October 2009 and Extraordinary Loss

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 business period ending October 31, 2009 (November 1, 2008 - October 31, 2009) released on August 28, 2009. Details are provided below.

1. Revised projection of consolidated operating results for the Business Period ended October 2009

(November 1, 2008 - October 31, 2009)

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

	Revenues	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share
Prior projection (A)	63,700	-650	-1,000	-1,700	-51.77
Revised projection (B)	63,863	137	-222	-1,158	-35.28
Increase (decrease) (B-A)	163	787	778	542	—
Rate of change (%)	0.3%	—	—	—	—
(Reference) Prior fiscal year (FY ended October 31, 2008)	69,411	2,227	2,028	644	19.61

2. Revised projection of non-consolidated operating results for the Business Period ended October 2009

(November 1, 2008 - October 31, 2009)

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

	Revenues	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share
Prior projection (A)	53,800	-300	-550	-1,300	-39.59
Revised projection (B)	54,447	417	172	-1,060	-32.28
Increase (decrease) (B-A)	647	717	722	240	—
Rate of change (%)	1.2%	—	—	—	—
(Reference) Prior fiscal year (FY ended October 31, 2008)	60,473	2,461	2,369	183	5.59

3. Reasons for the revision of projected full-year operating results

As the negative trend affecting public works spending since the beginning of the business period continued, private sector construction spending also showed a sharp decline under the impact of the global recession, and construction demand as a whole remained uncertain. During the fourth quarter as well, the conditions constraining private sector works showed no signs of abating, and indications of a recovery were absent. A slight recovery in public works was noted, however, as works related to the supplementary budget were implemented in Hokkaido and other regions as an economic stimulus measure. As a result, the Company expects some improvements in both construction equipment rental revenues and earnings compared with its initial projection, and revised its operating results projection upwards.

With regard to net income, on the other hand, stock prices that had recovered by the third quarter fell again because of concerns regarding the recovery of the U.S. economy and worries over deterioration of corporate performance in Japan as the yen continued to appreciate. Consequently the Company was compelled to book a valuation loss on investment securities. In addition, the Company increased its respective reserves for shares and loans to unconsolidated subsidiaries on the basis of more conservative judgments. As a result, the Company projects the net loss indicated above.

For its non-consolidated operating results, the Company posted a ¥478 million provision to its allowance for doubtful accounts for subsidiaries and affiliates for loans to certain consolidated subsidiaries. On the other hand the reserve for acceptances and guarantees pertaining to the subsidiaries in question decreased, and the Company projects it will book a ¥170 million reversal of the provision for losses on guarantee. These accounting items are extraordinary losses and extraordinary profits pertaining to consolidated subsidiaries, and do not have a material effect on the Company's consolidated operating results.

4. Other matters

Despite the extremely severe earnings picture, because of its intention to maintain a stable dividend the Company plans to seek approval by the Board of Directors of a resolution for a year-end dividend of ¥10 per share as indicated in the Company's initial projection. The Company will release its Financial Statements Bulletin for the Business Period Ended October 31, 2009 on December 4.

End