

For Immediate Release

**Kanamoto Company, Limited**

Stock Code 9678

Tokyo Stock Exchange 1<sup>st</sup> 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

## (Correction) Notification Concerning Partial Revision of the Financial Statements Bulletin for the Fiscal Year ended October 31, 2009

Kanamoto Company, Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, has revised several errors in the Financial Statements Bulletin for the Fiscal Year Ended October 31, 2009 released on December 4, 2009. Details are provided below.

The items requiring revision and the revised text are indicated by an underline (\_\_\_\_).

【Page 32: 5 Consolidated Financial Statements; Significant Accounting Policies for the Consolidated Financial Statements; 4. Accounting principles and standards used for normal accounting treatment; (2) Depreciation methods for principal depreciable assets; a. Tangible fixed assets (excluding lease asset); “(Change in accounting method)” and “(Supplemental information)”】

Before revision	After revision
<p>(Change in accounting method) (Preceding text omitted)</p> <p>As a result, for the consolidated accounting fiscal year under review the cost of revenues from operations decreased by <u>¥2,760,115</u> thousand, and gross profit and operating income increased and ordinary loss and loss before taxes and adjustments decreased by the same amount, respectively, compared to what they otherwise would have been had the accounting standards used in past periods been applied.</p> <p>(Text omitted) (Supplemental information)</p> <p>Beginning from the consolidated accounting fiscal year under review, the Company has revised the durable lives applied to machinery and equipment owned by the Company and its domestic consolidated subsidiaries (including assets accounted for as rental assets), following the revision of statutory useful lives based on amendment of the Corporation Tax Law in Fiscal 2008.</p> <p>As a result, operating income was <u>¥1,143,563</u> thousand higher and the ordinary loss and loss before taxes and adjustments were <u>¥1,143,563</u> thousand less than they otherwise would have been had the accounting standards used in past periods been applied.</p> <p>(Following text omitted)</p>	<p>(Change in accounting method) (Preceding text omitted)</p> <p>As a result, for the consolidated accounting fiscal year under review the cost of revenues from operations decreased by <u>¥2,697,551</u> thousand, and gross profit and operating income increased and ordinary loss and loss before taxes and adjustments decreased by the same amount, respectively, compared to what they otherwise would have been had the accounting standards used in past periods been applied.</p> <p>(Text omitted) (Supplemental information)</p> <p>Beginning from the consolidated accounting fiscal year under review, the Company has revised the durable lives applied to machinery and equipment owned by the Company and its domestic consolidated subsidiaries (including assets accounted for as rental assets), following the revision of statutory useful lives based on amendment of the Corporation Tax Law in Fiscal 2008.</p> <p>As a result, operating income was <u>¥62,524</u> thousand higher and the ordinary loss and loss before taxes and adjustments were <u>¥62,524</u> thousand less than they otherwise would have been had the accounting standards used in past periods been applied.</p> <p>(Following text omitted)</p>

**Partial Revision of the Financial Statements Bulletin for  
the Fiscal Year ended October 31, 2009**

2009/12/18 in Japan | Page 2/2

【Page 53: 5 Consolidated Financial Statements; (Business Segment Information); Consolidated fiscal year under review (From November 1, 2008 to October 31, 2009); 4. Changes in Accounting Methods; “(Change in depreciation method for tangible fixed assets and rental assets)”】

Before revision	After revision
<p>(Change in depreciation method for tangible fixed assets and rental assets)</p> <p>Beginning from the consolidated accounting fiscal year under review, the Company has changed the method of depreciation for rental assets included in tangible fixed assets from the declining-balance method to the straight-line method as described in 4. (2) in “Important Matters Used as the Basis for Preparation of the Consolidated Financial Statements.” In conjunction with this change, the operating income of the Company’s construction-related business increased by <u>¥2,760,115</u> thousand compared with what it otherwise would have been had the accounting standard used in prior fiscal years been applied.</p>	<p>(Change in depreciation method for tangible fixed assets and rental assets)</p> <p>Beginning from the consolidated accounting fiscal year under review, the Company has changed the method of depreciation for rental assets included in tangible fixed assets from the declining-balance method to the straight-line method as described in 4. (2) in “Important Matters Used as the Basis for Preparation of the Consolidated Financial Statements.” In conjunction with this change, the operating income of the Company’s construction-related business increased by <u>¥2,697,551</u> thousand compared with what it otherwise would have been had the accounting standard used in prior fiscal years been applied.</p>

【Page 53-54: 5 Consolidated Financial Statements; (Business Segment Information); Consolidated fiscal year under review (From November 1, 2008 to October 31, 2009); “5. Supplemental information”】

Before revision	After revision
<p>5. Supplemental information</p> <p>Beginning from the consolidated accounting fiscal year under review, the Company has revised the durable lives applied to machinery and equipment (including assets accounted for as rental assets) as described in 4. (2) b in “Important Matters Used as the Basis for Preparation of the Consolidated Financial Statements.”</p> <p>In conjunction with this change, the operating income of the Company’s construction-related business increased by <u>¥1,143,563</u> thousand compared with what it otherwise would have been had the accounting standard used in prior fiscal years been applied.</p>	<p>5. Supplemental information</p> <p>Beginning from the consolidated accounting fiscal year under review, the Company has revised the durable lives applied to machinery and equipment (including assets accounted for as rental assets) as described in 4. (2) b in “Important Matters Used as the Basis for Preparation of the Consolidated Financial Statements.”</p> <p>In conjunction with this change, the operating income of the Company’s construction-related business increased by <u>¥62,524</u> thousand compared with what it otherwise would have been had the accounting standard used in prior fiscal years been applied.</p>

【Page 71-72: 5 Company Financial Statements; Significant accounting policies; 4. Depreciation methods for fixed assets; (1) Tangible fixed assets (excluding lease assets); (Change in accounting method); “(Supplemental information)”】

Before revision	After revision
<p>(Change in accounting method) (Preceding text omitted)</p> <p>As a result, for the fiscal year under review the cost of revenues from operations decreased by <u>¥2,442,469</u> thousand, and gross profit, operating income and ordinary income increased by the same amount and loss before taxes and adjustments decreased by the same amount, respectively, compared to what they otherwise would have been had the accounting standards used in past periods been applied.</p> <p>(Supplemental information)</p> <p>Beginning from the fiscal year under review, the Company has revised the useful lives for the Company’s machinery and equipment (including equipment accounted for as rental assets) following the changes to statutory useful lives based on the amendment of the Corporation Tax Law in fiscal 2008.</p> <p>As a result, operating income and ordinary income were <u>¥1,118,961</u> thousand higher, and the loss before taxes was <u>¥1,118,961</u> thousand lower, than they otherwise would have been had the accounting standards used in past periods been applied.</p>	<p>(Change in accounting method) (Preceding text omitted)</p> <p>As a result, for the fiscal year under review the cost of revenues from operations decreased by <u>¥2,404,546</u> thousand, and gross profit, operating income and ordinary income increased by the same amount and loss before taxes and adjustments decreased by the same amount, respectively, compared to what they otherwise would have been had the accounting standards used in past periods been applied.</p> <p>(Supplemental information)</p> <p>Beginning from the fiscal year under review, the Company has revised the useful lives for the Company’s machinery and equipment (including equipment accounted for as rental assets) following the changes to statutory useful lives based on the amendment of the Corporation Tax Law in fiscal 2008.</p> <p>As a result, operating income and ordinary income were <u>¥37,922</u> thousand higher, and the loss before taxes was <u>¥37,922</u> thousand lower, than they otherwise would have been had the accounting standards used in past periods been applied.</p>

End