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For Immediate Release

Kanamoto Company, Limited
Stock Code 9678
Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange
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Notification Concerning Disposition of Surplus

At its meeting on December 29, 2009, in Board of Directors of Kanamoto Co., Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, approved a resolution for disposition of the Company's surplus. Details are provided below.

1. Reversal of general reserve

By completing a partial reversal of the general reserve, and transferring the reversal amount to earned surplus brought forward, the Company will eliminate the full amount of the loss in earned surplus brought forward and ensure flexibility for its future financial strategy.

This reversal will be a transfer in the "other earned surplus" account included in "net assets" and will not have any effect on Kanamoto's profit and loss or the amount of the Company's net assets.

(1) Amount of decrease to reserve

General reserve	¥1,900,000,000
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(2) Amount of increase to earned surplus

Earned surplus brought forward	¥1,900,000,000
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(3) Effective date	January 29, 2010
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2. Details of dividend

	Amount	Recent dividend projection (Released December 4, 2009)	Prior fiscal year results (FY ended October 31, 2008)
Date of record	October 31, 2009	Same as at left	October 31, 2008
Dividend per share	¥10.00	¥10.00	¥10.00
Total dividend	¥328 million	—	¥328 million
Payment date	January 29, 2010	—	January 30, 2009
Funds used for dividend	Earned surplus	—	Earned surplus

(Reference) Breakdown of annual dividend

	Dividend per share (yen)		
Date of record	End of second quarter	Fiscal year-end	Full-year
Current period actual	¥10.00	¥10.00	¥20.00
Prior period actual (FY ended October 31, 2008)	¥10.00	¥10.00	¥20.00

3. Kanamoto's basic policies concerning distribution of earnings

As its basic policy concerning distribution of earnings, Kanamoto seeks to maintain a stable return of earnings to the maximum extent possible. Although Kanamoto has set a dividend payout ratio of at least 30% as its target until now, the Company's profit level has declined because of the recent deterioration of Kanamoto's operating environment and the gap with the substantive dividend payout ratio has been growing. Consequently the Company will basically maintain its target dividend payout ratio of 30% or higher, but for the time being will use the amount of the current dividend as its target. Specifically the Company will strive to maintain and continue its full-year dividend of ¥20 per share, consisting of an interim dividend of ¥10 and year-end dividend of ¥10 per share.

Furthermore, the Company will utilize its internal reserves by allocating funds for capital investment including the introduction of rental equipment assets that will serve as the source of future earnings, and for enhancing shareholders' equity. To enable the Company to flexibly implement its capital policy, Kanamoto has established a system for using internal reserves to make purchases of treasury stock.

End