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For Immediate Release

**Kanamoto Company, Limited**

Stock Code 9678

Tokyo Stock Exchange 1<sup>st</sup> Section; Sapporo Stock Exchange  
Nobuhito Utatsu

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## **Kanamoto Signs 2nd Revolving Credit Facility Agreement with Term-out Option**

Kanamoto Co., Ltd. (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, has signed a revolving credit facility agreement with a term-out option for a maximum funding limit of 12.0 billion yen. The Bank of Tokyo-Mitsubishi UFJ, Ltd. was the Arranger and Mitsubishi UFJ Trust and Banking Corporation and Mizuho Corporate Bank, Ltd. were Co-Arrangers for the facility. Details are provided below.

1. Reason for establishing the revolving credit facility with term-out option

To ensure a stable, flexible financing facility

Because Kanamoto's principal business in construction equipment rentals requires a substantial amount of capital investment, the Company's interest-bearing debt burden is quite large compared to most firms managing a flow-type business. Consequently from the viewpoint of the need to ensure a financing facility that considers stability, flexibility and funding costs, and as a means to procure on a timely basis the funds required to respond to its rapidly changing industry and develop its business in other countries, the Company decided to adopt this funding facility in order to maintain an appropriate balance of readily available cash and deposits while continuing to restrain interest-bearing debt to the extent possible.

2. Commitment facility details

Revolving credit line limit: 12.0 billion yen

Agreement signing date: February 16, 2011

Commitment period: 366 days (February 21, 2011 – February 21, 2012)

Term out borrowing maturity: February 21, 2017

Arrangers: Arranger: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Co-Arrangers: Mitsubishi UFJ Trust and Banking Corporation  
Mizuho Corporate Bank, Ltd.

Agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Syndicate group: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and  
Banking Corporation, Mizuho Corporate Bank, Ltd. , North Pacific  
Bank, Ltd.

The Hokkaido Bank, Ltd., JA -Hokkaido Shinren, The Norinchukin  
Bank, The 77 Bank, Ltd., The Daishi Bank, Ltd.,

(New syndicate group members)

The Akita Bank, Ltd., Mizuho Trust & Banking Co., Ltd., The Bank of Fukuoka, Ltd., The Aomori Bank, Ltd., The Nishi-Nippon City Bank, Ltd.

(Reference)

\* Description of a revolving credit facility with term-out option

A revolving credit facility with term-out option refers to an agreement under which a borrower can use a funding facility to flexibly borrow and repay funds under a credit line during the commitment period, then shift the outstanding balance at the end of the commitment period to debt with a fixed-term maturity. As a result, a company can procure funds initially at short-term rates and reduce its funding cost, while maintaining its interest-bearing debt and cash on hand and deposit balances at appropriate levels, by procuring funding on a timely basis.

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