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For Immediate Release

Kanamoto Company, Limited
 Stock Code 9678
 Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange
 Kanchu Kanamoto
 President and CEO
 < Contact for inquiries concerning this material >
 Yuichi Takayama
 Manager, Investor and Public Relations, Office of the President
 Telephone: + 81-11-209-1631

Kanamoto to Establish New Company in Singapore through Joint Venture with Local Firm

Kanamoto Company, Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, has reached an agreement with JP Nelson Equipment PTE. LTD. ("JPN") (Nelson Lim, Managing Director; Head Office: Republic of Singapore), the leading construction equipment rental company in the Republic of Singapore, to establish and manage a joint venture company in Singapore to be named Kanamoto & JP Nelson Equipment (S) PTE Ltd. (referred to below as "KNE"). The two companies signed the joint-venture agreement today in Singapore (February 25, local time). Details are provided below.

1. Joint venture company profile

Name	Kanamoto & JP Nelson Equipment (S) PTE. Ltd.	
Address	30 BENOI ROAD SINGAPORE 629900	
Event schedule	December 10, 2010	Board of Directors resolution (corporate registration)
	January 11, 2011	Corporate registration
	February 23, 2011	Board of Directors resolution (appointment of directors)
	February 25, 2011	Signing of Agreement
	February 28, 2011	First capital payment date (scheduled)
Capital	1.5 million SG\$ (about 96.3 million yen) Total capital increase (capital increase in stages) Capital contribution ratio: Kanamoto 70%, JPN 30%	
Businesses	a. Rental and sale of specialized equipment for engineering works (ground improvement equipment, shield tunneling method equipment, etc.), and consulting related to such equipment b. Rental and sale of general construction equipment c. Incidental services related to the above activities	

Managing Director	Tetsuo Kanamoto (Kanamoto Director and Corporate Officer;
Director	Manager, Business Coordination Headquarters)
Director	Kanchu Kanamoto (Kanamoto President and Representative
Director	Director , serving concurrently as Corporate Officer)
Director	Naoki Mukunashi (Kanamoto Director and Corporate Officer;
	Manager, Overseas Business Office)
	Nelson Lim (JPN Managing Director)
	Teo Yew Boon (JPN General Manager)

2. Background and purpose for establishment of the new company

Because of the gradual contraction of the domestic construction market, the Kanamoto Group is seeking to expand its market share in Japan through M&A while simultaneously pursuing business growth in other countries. In its strategic plan for 2010-2014 in particular, Kanamoto has positioned the strengthening of its overseas development as a growth engine for the future, and advancement into Singapore is one component of this plan.

Moreover, construction demand in Singapore is brisk, and sufficient construction equipment rental demand is expected because of major projects that have been ordered, including subway works and the Marina Coastal Expressway. In addition, solutions offered by the Kanamoto Group's engineering-related subsidiaries will be indispensable for the infrastructure work indicated above, and can be expected to generate a synergistic effect throughout the Group.

Finally, the new firm will be positioned to fulfill the role of a bridgehead for the business development the Kanamoto Group is seeking in Southeast Asian countries and in regions such as Oceania and India.

3. Future outlook and affect on Kanamoto's operating results

As indicated above, corporate registration of the new company was completed in January 2011, and Kanamoto plans to execute capital investments in the new firm in the immediate future. Because the new company will begin full-scale business operations from March, however, earnings during the current fiscal year are expected to be minimal.

KNE is expected to become profitable during its third year of operations in fiscal 2013, when the company is projected to achieve revenues of 3.8 million SG\$ (about 240 million yen) and operating income totaling 155,000 SG\$ (about 10 million yen).

Based on such circumstances, the effect on Kanamoto's consolidated operating results for the Business Period ending October 2011 will not be material.

4. Inquiries

For inquiries concerning this press release and other matters, including appointments for news reporting locally in Singapore, please contact the Manager, Investor and Public Relations at Kanamoto's Office of the President.

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