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Damage Suffered by Kanamoto from the Tohoku Pacific Offshore Earthquake

Kanamoto Co., Ltd. wishes to express its sincere condolences to all of the victims of the Tohoku Pacific Offshore Earthquake that struck Japan on March 11, 2011.

A review of the damage suffered by the Kanamoto Group as assessed at the present is provided below.

1. Individuals

All of the employees working at business offices of the Kanamoto Group located in the stricken region have been confirmed to be alive and safe.

2. Business offices in the stricken area

Two offices have been closed as a result of the tsunami: the Ofunato Branch (Ofunato City, Iwate Prefecture) and the Sendai Branch (Miyagino-ku, Sendai City).

Currently the Ofunato Branch has reopened its operations through the Morioka Branch (Morioka City, Iwate Prefecture) and Kitakami Branch (Kitakami City, Iwate Prefecture). The Sendai Branch is working zealously to restore its operations and plans to be able to renew its activities within a few days. Until it reopens the Sendai Branch will support its customers through the Sendai North Branch (Tomiya-cho, Miyagi Prefecture). Kanamoto is currently working to confirm the status of any other damage.

Moreover, in accordance with the central government's order for people to evacuate the area near the stricken nuclear power station in Fukushima Prefecture and remain indoors, the Company has temporarily halted operations in Fukushima Prefecture and placed its employee there on furlough (including evacuation).

3. Construction equipment (rental equipment)

Much of Kanamoto's rental equipment consists of construction equipment that is currently being rented to customers, and although it is working to ascertain the status of this equipment, the Company is still unable to make an accurate confirmation at this time because of the confused situation within the stricken area.

4. Response of the Kanamoto Group

As reported previously, Kanamoto has established a Task Force (Task Force Leader: Manabu Nagasaki), and based on disaster response agreements the Company has with local governments and public organizations), each of Kanamoto's business offices in the stricken area has mobilized its available construction equipment and machinery. Kanamoto has also begun to gradually transfer construction equipment, generators, dump trucks, modular housing units for temporary use and toilet facilities and other supplies from throughout Japan to the stricken area. In the future as well, the entire Kanamoto Group will work to the best of its abilities to help restorations in the disaster area.

5. Effect of the above measures on operating results for the Business Period ending October 2011

The damage to buildings and structures at the Company's sales offices is limited. Moreover, as stated above Kanamoto is currently working diligently to confirm the status of any other damage to its rental equipment. The Company will release this information as soon as it is available.

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