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## Notification Concerning Extraordinary Loss (Loss from Damage by the Great East Japan Earthquake) and Revision of Projected Operating Results for the Interim Period of the Fiscal Year Ending October 2011

Kanamoto Company, Limited, Japan's leading construction equipment rental company, has revised its projected consolidated and non-consolidated operating results for the interim period of the fiscal year ending October 2011 (November 1, 2010 - April 30, 2011). Details are provided below.

### 1. Amount of loss from damage by the Great East Japan Earthquake

The Kanamoto Group suffered damage mainly to two branches it had developed in the region stricken by the Great East Japan Earthquake. Certain Company rental construction equipment supplied to the same region was damaged as well.

For the interim period of the fiscal year ending October 2011, the Company has decided to report an extraordinary loss of 724 million yen, including asset losses, restoration costs and reconstruction support costs, as a result of this damage.

Because no consolidated subsidiary other than Kanamoto suffered damage, this amount will be recorded identically on both a consolidated and non-consolidated basis.

### 2. Revised projected consolidated interim period results (Interim period of the fiscal year ending October 2011) (November 1, 2010 - April 30, 2011)

(Millions of yen except net income per share, which is in yen)

	Revenues	Operating income	Ordinary income	Net income	Net income per share
Prior projection (A)	35,080	1,940	1,580	750	22.84
Revised projection (B)	35,309	1,724	1,408	49	1.50
Increase (decrease) (B-A)	229	-216	-172	-701	—
Percent change (%)	0.7%	-11.1%	-10.9%	-93.5%	—
(Reference) Prior fiscal year Interim period ended April 30, 2010	37,142	3,195	2,924	1,515	46.15

**3. Revised projected non-consolidated interim period results** (Interim period of the fiscal year ending October 2011) (November 1, 2010 - April 30, 2011)

(Millions of yen except net income per share, which is in yen)

	Revenues	Operating income	Ordinary income	Net income	Net income per share
Prior projection (A)	29,130	1,500	1,320	650	19.79
Revised projection (B)	30,248	1,428	1,296	48	1.47
Increase (decrease) (B-A)	1,118	-72	-24	-602	—
Percent change (%)	3.9%	-4.8%	-1.8%	-92.6%	—
(Reference) Prior fiscal year Interim period ended April 30, 2010	30,139	2,534	2,476	1,181	35.98

**4. Reason for revision of projected interim period operating results**

During the Kanamoto Group's second quarter, an optimistic business mood prevailed because of overseas economic trends and strong performance forecasts at leading companies. Construction-related industries, however, continued to face a severe operating climate. At the Kanamoto Group, operating results closely followed the Company's initial projection. Nevertheless, earnings for the full-year will be affected by the Great East Japan Earthquake, which caused damage to several of the Company's facilities and certain rental construction equipment, and will reduce earnings as the Company postpones sales of used equipment in order to ensure assets are available for responding to future restoration and reconstruction demand. The earthquake has also resulted in the interruption of construction works that were affected by the disaster, and the suspension of operations in areas where entry has been restricted.

In particular, as indicated above the Company has revised its projected second quarter operating results by reporting the cost of earthquake damage in extraordinary losses.

**5. Future outlook, projected full-year operating results, dividends and expected date for release of financial report**

The amount of the damage to rental construction equipment described above can be identified at the present time, and encompasses most of the damaged equipment. In addition to investigating the possibility of repairing and using the damaged equipment in the future, the Company will simultaneously seek to offset and recover the cost of the damage as soon as possible, by means such as clearance sales to dispose of equipment that is in a condition to be sold.

Moreover, since the earthquake, construction equipment rental demand in the stricken areas in Tohoku and Kanto is extremely vigorous, while rental fees have risen as well because of the improved supply and demand balance, and the Company expects to see a commensurate bottom-line effect during the second half of the fiscal year. At the same time, however, it is also true that the overall scale and timing of demand remain in a state of flux, and the Company has maintained its full-year projected operating results values at the level announced in December 2010.

The Company plans to discuss at its Board of Directors meeting the implementation of an interim dividend of 10 yen per share as initially planned, and intends to release its Six-month Consolidated Financial Report for the Fiscal Year ending October 31, 2011 on June 8.

End

These projected consolidated operating results materials were prepared using projections based on information available to the Company as of the date this material was released and forecasts of the future economic, environment, and include various risks and uncertainty factors. Furthermore, there is a possibility the Company's actual consolidated operating results will differ from the projected figures shown above as a result of various future factors, including but not limited to economic conditions surrounding the Kanamoto Group, market trends, and competitive conditions.