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Stock Code 9678
Tokyo Stock Exchange 1st Section; Sapporo Stock Exchange
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Notification Concerning Conclusion of a Capital and Business Alliance Agreement with Nishiken Co., Ltd. and Conversion of Nishiken to a Kanamoto Subsidiary

Based on a resolution of its Board of Directors today, **Kanamoto Co., Ltd.** has entered into a Capital and Business Alliance Agreement with **Nishiken Co., Ltd.** (Kouchirou Kuriyama, President; Head Office: Kurume City, Fukuoka Prefecture), under which Kanamoto will acquire at least two-thirds of Nishiken's shares and Nishiken will become a subsidiary of Kanamoto. Details are provided below.

1. Purpose and reason for the business alliance and stock acquisition (conversion to subsidiary)
Nishiken Co., Ltd. is developing a construction equipment rental business and a welfare and nursing care products rental business in each prefecture of Kyushu centered on Fukuoka Prefecture, and in the Chugoku and Kinki regions. Kanamoto, an integrated construction equipment rental company, has resolved to acquire shares of Nishiken and manage the company as a subsidiary because this action is expected to "strengthen Kanamoto's business base in the Kyushu Region" and "expand the Company's business area into the welfare and nursing care products rental business", two objectives Kanamoto had previously outlined in its new Long-term Vision "BULL55".

2. Details of the business alliance

Through the business alliance between Nishiken Co., Ltd., the top rental firm in Kyushu headquartered in Kurume City, Fukuoka Prefecture, and Kanamoto, which is developing its construction equipment rental business in regions throughout Japan, Kanamoto anticipates a substantial spillover effect, including supplementation of the two companies' businesses to take advantage of each company's unique characteristics and the streamlining of operations through the complementary supply of rental equipment.

In the future the two firms will pursue synergistic effects based on their collaboration, and work to strengthen their base of operations in regions where both companies have operations.

3. Summary of business alliance partner and transfer of subsidiary

(1) Name	Nishiken Co., Ltd.		
(2) Head office	1-9, Miyanojin-machi, Wakamatsu, Kurume City, Fukuoka Prefecture		
(3) Representative	Chairman and Representative Director Akeyoshi Mizuta President Kouichirou Kuriyama		
(4) Businesses	Construction equipment rental business, welfare and nursing care products rental business, other business		
(5) Employees	322 As of December 31, 2014		
(6) Number of offices	75		
(7) Capital	1,049 million yen		
(8) Date established	November 15, 1960		
(9) Principal shareholders and percent ownership	Employees Shareholding Co., Ltd.		6.4%
	Akeyoshi Mizuta		6.0%
	The Nishi-Nippon City Bank, Ltd.		4.7%
	The Bank of Fukuoka, Ltd.		4.3%
(10) Relationship between listed company and said company	Capital relationship	There are no capital relationships between Kanamoto and Nishiken Co., Ltd. that should be reported. Unite Co., Ltd., a consolidated subsidiary of Kanamoto, owns 0.2% of the shares of Nishiken Co., Ltd.	
	Personnel relationship	There are no personnel relationships between Kanamoto and Nishiken Co., Ltd. that should be reported. Moreover, there are no personnel relationships between concerned parties and affiliated companies of Kanamoto and concerned parties and affiliated companies of Nishiken Co., Ltd. that deserve special mention.	
	Business relationship	There are no business relationships between Kanamoto and Nishiken Co., Ltd. that should be reported. Moreover, there are no business relationships between concerned parties and affiliated companies of Kanamoto and concerned parties and affiliated companies of Nishiken Co., Ltd. that deserve special mention.	

(11) Operating results and financial position of Nishiken Co., Ltd. for the most recent three years

Accounting period	FYE Dec. 2012	FYE Dec. 2013	FYE Dec. 2014
Net assets	6,836	7,375	7,977
Total assets	15,127	16,106	17,333
Net assets per share (yen)	15,046.07	16,248.87	17,527.08
Net sales	16,251	16,715	16,857
Ordinary income	1,337	1,367	1,416
Net income	643	603	653
Net income per share (yen)	1,428.86	1,340.61	1,449.84
Dividend per share (yen)	180	180	200

Unit: Millions of yen

4. Summary of parties from which shares will be acquired

Shareholders among the 238 shareholders of Nishiken Co., Ltd. (as of August 1, 2015) who have agreed to sell their shares.

5. Number of shares to be acquired, acquisition price, and number of shares owned before and after acquisition

(1)	Number of shares owned before transfer	0 (Ownership percentage 0%)
(2)	Number of shares to be acquired	At least 309,450 shares
(3)	Acquisition price	Undetermined
(4)	Number of shares owned after transfer	At least 309,450 shares (Voting rights percentage At least 66.9%)

Note: The acquisition price cannot be computed because the number of shares to be acquired is undetermined.

6. Schedule of business alliance and stock acquisition (conversion to subsidiary) (plan)

January 21, 2016	Kanamoto Co., Ltd. Board of Directors resolution
January 21, 2016	Capital and business alliance agreement concluded
March 14, 2016 (plan)	Share delivery date
Late March, 2016 (plan)	Date for start of business in conjunction with business alliance

7. Future outlook for Kanamoto's operating results

Kanamoto currently is conducting a precise examination of the effect this transaction will have on its financial position and operating results in the current period and the next consolidated fiscal year, and will disclose this information as appropriate as soon as it has completed its precise examination.

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