

FOR IMMEDIATE RELEASE

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 Tokyo Stock Exchange, 1st Section; Sapporo Stock Exchange
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Notification of Acquisition of Shares of Australian Corporate Group

Based on a resolution of its Board of Directors, Kanamoto Company Limited (“the Company”) has resolved that Kanamoto Australia Holdings Pty Ltd, a wholly-owned subsidiary of the Company, will acquire 100% of the outstanding shares of the two holding companies and three principal operating companies of the Porter Plant Group (“PPG”), a corporation domiciled in Australia, and has resolved to execute a Stock Purchase Agreement (SPA).

1. Purpose of the transaction

Under its group philosophy of being “an excellent and dynamic group that uses its solid earnings as a base to reward shareholders, customers and employees”, Kanamoto seeks to establish a true general rental company and expand its operating base by positioning “expansion of domestic base of operations, overseas development, and optimization of internal operational processes” as a priority policy in Kanamoto’s new Medium-term Corporate Management Plan “Creative 60”, which will extend through the Business Period ending October 2024.

PPG is developing businesses in sectors such as construction equipment rental, civil engineering and public works, specialized operator dispatching, and gas facilities construction, primarily in the state of Victoria, Australia. The Company has resolved to acquire the stock of PPG and manage it as a subsidiary because it believes the group’s firms will help strengthen Kanamoto’s overseas expansion, which is a key measure of the management plan as described above.

2. Profile of PPG

	PPG is composed of the following 5 companies.	
(1) Company and business	(a) Porter Excavations Pty Ltd	/ Construction equipment rental
	(b) Porter Utilities Pty Ltd	/ Gas facility construction
	(c) Madica Pty Ltd	/ Civil engineering and public works, dispatch of specialized operators
	(d) Porter Group Nominees Pty Ltd	/ Holding company; 100% of (a)
	(e) Porter Utilities Holdings Pty Ltd	/ Holding company; 100% of (b)
(2) Location	5110 Colac-Ballarat Road, Cambrian Hill, VIC3352 Australia ((a), (b), (c), (e)) 475 Scotchmans Lead Road, Napoleons VIC3352 Australia (d)	

(3) PPG's operating results and financial position for most recent 3 years (Simple aggregation) ('000 AUD)

Fiscal year-end	June 2018	June 2019	June 2020
Net assets	26,675	34,160	39,406
Total assets	101,187	102,841	97,301
Net sales	64,398	66,860	61,080
Pre-tax income	9,063	12,387	11,714

3-1 Profile of company to be acquired (c)

(1) Name	Madica Pty Ltd		
(2) Location	5110 Colac-Ballarat Road, Cambrian Hill, VIC 3352 Australia		
(3) Representative	Timothy Norman Porter, CEO		
(4) Capitalization	1 AUD		
(5) Established	April 27, 2017		
(6) Major shareholders and shareholding ratio	T&B Porter Group Investment Pty Ltd.		100%
(7) Relationship with listed company	Capital relationship	No material items to report	
	Personnel relationships	No material items to report	
	Transactional relationships	No transactional relations to report	

3-2 Profile of company to be acquired (d)

(1) Name	Porter Group Nominees Pty Ltd		
(2) Location	475 Scotchmans Lead Road, Napoleons, VIC 3352 Australia		
(3) Representative	Timothy Norman Porter, CEO		
(4) Capitalization	15,699,993 AUD		
(5) Established	May 13, 2014		
(6) Major shareholders and shareholding ratio	T&B Porter Group Investment Pty Ltd. Mr. Timothy Norman Porter		25% 75%
(7) Relationship with listed company	Capital relationship	No material items to report	
	Personnel relationships	No material items to report	
	Transactional relationships	No transactional relations to report	

3-3 Profile of company to be acquired (e)

(1) Name	Porter Utilities Holdings Pty Ltd		
(2) Location	5110 Colac-Ballarat Road, Cambrian Hill, VIC 3352 Australia		
(3) Representative	Timothy Norman Porter, CEO		
(4) Capitalization	1 AUD		
(5) Established	April 27, 2017		
(6) Major shareholders and shareholding ratio	T&B Porter Group Investment Pty Ltd.		100%
(7) Relationship with listed company	Capital relationship	No material items to report	
	Personnel relationships	No material items to report	
	Transactional relationships	No transactional relations to report	

4-1 Profile of stock acquisition counterparty (Seller)

(1) Name	T&B Porter Group Investment Pty Ltd		
(2) Location	5110 Colac-Ballarat Road, Cambrian Hill, VIC3352 Australia		
(3) Representative	Timothy Norman Porter, CEO		
(4) Principal Business	Asset management (holding company)		
(5) Capitalization	12 AUD		

(6)	Established	June 24, 2014	
(7)	Major shareholders and shareholding ratio	Timothy Norman Porter	50%
		Bronwyn Elizabeth Porter	50%
(8)	Relationship with listed company	No significant items to report	

4-2 Profile of stock acquisition counterparty (Seller)

(1)	Name	Timothy Norman Porter
(2)	Location	VIC Australia
(3)	Relationship with listed company	No significant items to report

5. Number of shares to be acquired and shareholding status before and after acquisition

(1)	Number of shares owned before transfer	(c) Madica Pty Ltd	0 shares (0% ownership)
		(d) Porter Group Nominees Pty Ltd	0 shares (0% ownership)
		(e) Porter Utility Holdings Pty Ltd	0 shares (0% ownership)
(2)	Number of shares to be acquired	(c) Madica Pty Ltd	1 share
		(d) Porter Group Nominees Pty Ltd	10,000,000 shares
		(e) Porter Utility Holdings Pty Ltd	1 share
(3)	Total acquisition price	Approximately 74 million AUD (Certain adjustments may be made prior to the share transfer execution date)	
(4)	Number of shares owned after transfer	(c) Madica Pty Ltd	1 share (100% ownership)
		(d) Porter Group Nominees Pty Ltd	10,000,000 shares (100% ownership)
		(e) Porter Utility Holdings Pty Ltd	1 share (100% ownership)

6. Share acquisition schedule (planned)

(1)	Date of Board of Directors resolution	September 4, 2020
(2)	Date of SPA	September 7, 2020
(3)	Share transfer execution date	To be set on or after September 30, 2020, subject to receipt of approval from the relevant authorities

7. Outlook for the Company's operating results

The effect of the acquisition on the Company's consolidated results for the fiscal year ending October 2020 is not material and the Company has not made any changes to the projected full-year consolidated operating results for the business period ending October 2020 it released today. Should it become clear there will be a significant impact on future projected operating results, the Company will disclose such information promptly.

End

【Exhibit】

