



Three-Month Consolidated Financial Report for the Fiscal Year Ending October 31, 2025 (Japan GAAP)

March 6, 2025

Listed Company Name **Kanamoto Co., Ltd.**
 Company Code Number **9678**
 Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**
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Scheduled date for commencement of dividend payments –
 Preparation of Settlement Supplementary Explanatory Materials No
 Earnings Briefings No

(Numbers less than one million yen have been rounded down)

1. Consolidated Operating Results for the Three-Month Period of the Fiscal Year Ending October 31, 2025

(November 1, 2024 – January 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending October 31, 2025: First quarter	53,673	7.1	4,993	67.2	5,212	62.9	3,238	82.1
Fiscal year ended October 31, 2024: First quarter	50,118	1.2	2,985	(3.6)	3,200	(2.1)	1,778	2.3

(Note) Comprehensive income (millions of yen)

Fiscal year ending October 31, 2025, First quarter 3,826 (68.4%)
 Fiscal year ended October 31, 2024, First quarter 2,271 (56.5%)

	Earnings per Share	Earnings per Share on a Fully Diluted Basis
	Yen	Yen
Fiscal year ending October 31, 2025: First quarter	91.77	–
Fiscal year ended October 31, 2024: First quarter	49.47	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of January 31, 2025	324,901	150,844	43.4
As of October 31, 2024	322,853	149,713	43.4

(Reference) Equity (millions of yen)

As of January 31, 2025 140,930
 As of October 31, 2024 140,008

2. Dividends

	Annual Dividends per Share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Full-year
Fiscal year ended October 31, 2024	Yen –	Yen 35.00	Yen –	Yen 45.00	Yen 80.00
Fiscal year ending October 31, 2025	–				
Fiscal year ending October 31, 2025 (projected)		40.00	–	40.00	80.00

(Note) Has the Company revised its most recently released dividend projection?: No

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 31, 2025

(November 1, 2024 – October 31, 2025)

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	102,500	1.8	6,600	6.6	6,600	2.2	3,900	7.6	111.19
Full year	211,100	1.9	15,100	3.6	15,300	0.5	9,300	3.2	265.94

(Note) Has the Company revised its most recently released projected consolidated operating results during the quarter?: No

Notes

- (1) Significant changes in the scope of consolidation during the period under review: No
- (2) Application of special accounting method in the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting principles, changes in accounting estimates and retrospective restatements
 - (a) Changes in accounting policy in conjunction with revision of accounting standards: Yes
 - (b) Changes other than the above: No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatements: No

Note: For details, please refer to “(3) Notes Concerning Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)” in “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto” on page 11 of the attached document.

- (4) Number of shares issued (common shares)
 - (a) Number of shares issued at the end of the period (including treasury shares)

As of January 31, 2025:	38,742,241 shares
As of October 31, 2024:	38,742,241 shares
 - (b) Number of treasury shares at the end of the period

As of January 31, 2025:	3,638,570 shares
As of October 31, 2024:	3,300,670 shares
 - (c) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ending October 31, 2025: First quarter:	35,288,150 shares
Fiscal year ended October 31, 2024: First quarter:	35,942,834 shares

Note: Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or independent account auditors: No

Note: Explanation concerning appropriate use of the projected operating results and other items to note (Note concerning forward-looking statements)

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee the achievement of the projections. Actual operating results may differ substantially due to a number of factors. Please refer to “1. Overview of Operating Results and Others (3) Explanation Concerning Future Forecasts Including Projected Consolidated Operating Results” on page 6 of the Attachments for the conditions used as assumptions for the projected operating results and matters to note before using the projected operating results.

○ Attachments Table of Contents

1. Overview of Operating Results and Others	5
(1) Overview of Operating Results and Others for the Three-Month Period of the Fiscal Year Ending October 31, 2025.....	5
(2) Overview of Financial Position for the Three-Month Period of the Fiscal Year Ending October 31, 2025	5
(3) Explanation Concerning Future Forecasts Including Projected Consolidated Operating Results.....	6
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto	7
(1) Quarterly Consolidated Balance Sheets	7
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	9
(Quarterly Consolidated Statements of Income)	9
(Consolidated Three-Month Period Ended January 31).....	9
(Quarterly Consolidated Statements of Comprehensive Income)	10
(Consolidated Three-Month Period Ended January 31).....	10
(3) Notes Concerning Quarterly Consolidated Financial Statements	11
(Notes on changes in accounting policies)	11
(Notes on Segment Information, Etc.)	11
(Note on Significant Changes to Shareholders' Equity)	12
(Notes Relating to the Going Concern Assumption).....	12
(Notes to Quarterly Consolidated Statements of Cash Flows)	12

1. Overview of Operating Results and Others

(1) Overview of Operating Results and Others for the Three-Month Period of the Fiscal Year Ending October 31, 2025

During the three-month period under review, Japan's economy continued to gradually recover with an improvement in the employment and income environment and the progress of the normalization of economic activities. At the same time, we need to continue to closely monitor the impact on the economy of the direction of U.S. policy, the deteriorating situation in the Middle East, unstable exchange rate trends, monetary policies and other factors.

In the construction industry in which the Group is involved, public sector construction investment has remained steady, and private sector construction investment showed signs of picking up, but there are concerns about the impact of soaring prices of construction materials, rising labor wages, labor shortage problems, etc.

In such circumstances, the Group launched the new Medium-Term Management Plan (FY2025-FY2029), "Progress 65—Toward Achieving Both Growth and Efficiency," with three key measures: "Growth strategies and improvement of capital efficiency," "Enhancement of DX strategies" and "Sustainability initiatives," and have promoted strategies toward becoming a true general rental company. In our sustainability initiatives, we have increased our investment in human capital and have raised salary levels from the second quarter.

For the three-month period under review, the Group reported net sales of ¥53,673 million, an increase of 7.1% year on year. On the earnings front, operating profit was ¥4,993 million, an increase of 67.2% year on year, ordinary profit was ¥5,212 million, an increase of 62.9% year on year, and profit attributable to owners of parent was ¥3,238 million, an increase of 82.1% year on year, mainly due to ongoing improvements in asset efficiency since the prior fiscal year.

Results for each of the Company's business segments were as follows.

< Business related to the Construction Equipment Rental Division >

In the construction-related business, which is Kanamoto's core business, rental demand for construction equipment remained steady overall, although there were differences by region, as construction for various large-scale projects continued in addition to disaster recovery construction and infrastructure development.

In addition, while the Group focused on improving its profit structure by optimizing rental unit prices and increasing asset utilization rates, it also aimed to build a foundation for sustainable growth, such as by taking measures to contribute to productivity improvements in the construction industry.

Used construction equipment sales increased 28.6% year on year, as Kanamoto proceeded with sales to maintain an appropriate asset mix while carrying out the extension of the rental equipment operation period as planned at the beginning of the fiscal year.

Reflecting these factors, the Group posted net sales in the construction-related businesses of ¥48,110 million, an increase of 6.2% year on year, and operating profit of ¥4,632 million, an increase of 75.9% year on year.

< Other businesses >

In the Group's other businesses, net sales was ¥5,562 million, an increase of 15.8% year on year, and operating profit was ¥219 million, an increase of 0.4% year on year, as the Steel Product Sales Business as well as the Information Products Rental Business and the Welfare-related Business performed favorably.

(2) Overview of Financial Position for the Three-Month Period of the Fiscal Year Ending October 31, 2025

(Assets)

Total assets at the end of the first quarter under review stood at ¥324,901 million, an increase of ¥2,047 million compared with the end of the prior fiscal year. This was primarily due to a decrease of ¥4,765

million in notes and accounts receivable - trade, and contract assets while cash and deposits increased by ¥6,588 million.

(Liabilities)

Total liabilities stood at ¥174,056 million, an increase of ¥916 million compared with the end of the prior fiscal year. This was primarily due to increases of ¥8,384 million in electronically recorded obligations - operating and ¥6,350 million in short-term borrowings, while notes and accounts payable - trade decreased by ¥11,230 million and income taxes payable decreased by ¥2,091 million.

(Net assets)

Total net assets stood at ¥150,844 million, an increase of ¥1,131 million compared with the end of the prior fiscal year. This mainly reflects the posting of profit attributable to owners of parent of ¥3,238 million. Meanwhile, there were decreases of ¥1,594 million due to dividends of surplus and ¥1,079 million due to purchase of treasury shares.

As a result, equity ratio was 43.4% compared with 43.4% at the end of the prior fiscal year.

(3) Explanation Concerning Future Forecasts Including Projected Consolidated Operating Results

There is no change to the projected consolidated operating results announced in the Financial Statements Bulletin for the Fiscal Year Ended October 31, 2024 (Japan GAAP) on December 6, 2024.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	51,104	57,693
Notes and accounts receivable - trade, and contract assets	43,478	38,712
Electronically recorded monetary claims - operating	10,562	10,069
Merchandise and finished goods	1,634	1,911
Raw materials and supplies	1,631	1,703
Construction machine parts	15,095	14,378
Other	3,373	3,245
Allowance for doubtful accounts	(204)	(197)
Total current assets	126,675	127,517
Non-current assets		
Property, plant and equipment		
Rental equipment	322,689	328,846
Accumulated depreciation	(211,172)	(217,283)
Rental equipment, net	111,516	111,563
Buildings and structures	49,597	49,532
Accumulated depreciation	(29,018)	(29,135)
Buildings and structures, net	20,579	20,397
Machinery, equipment and vehicles	10,876	11,487
Accumulated depreciation	(9,143)	(9,405)
Machinery, equipment and vehicles, net	1,733	2,082
Land	39,608	39,607
Other	4,268	4,607
Accumulated depreciation	(2,636)	(2,640)
Other, net	1,632	1,966
Total property, plant and equipment	175,070	175,616
Intangible assets		
Goodwill	2,558	2,394
Customer relationship	1,181	1,153
Other	1,093	1,077
Total intangible assets	4,833	4,625
Investments and other assets		
Investment securities	11,450	12,263
Deferred tax assets	1,449	1,174
Long-term loans receivable	1,049	1,415
Other	2,699	2,635
Allowance for doubtful accounts	(376)	(347)
Total investments and other assets	16,272	17,141
Total non-current assets	196,177	197,383
Total assets	322,853	324,901

(Millions of yen)

	As of October 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,754	14,524
Electronically recorded obligations - operating	7,973	16,358
Short-term borrowings	720	7,070
Current portion of long-term borrowings	21,331	21,727
Lease liabilities	1,706	1,790
Income taxes payable	3,517	1,426
Provision for bonuses	1,703	786
Accounts payable - other	25,235	24,438
Other	4,875	4,530
Total current liabilities	92,817	92,652
Non-current liabilities		
Long-term borrowings	32,402	33,808
Lease liabilities	3,708	3,872
Long-term accounts payable - other	41,088	40,384
Retirement benefit liability	352	353
Asset retirement obligations	722	723
Deferred tax liabilities	1,894	2,106
Other	153	156
Total non-current liabilities	80,322	81,403
Total liabilities	173,140	174,056
Net assets		
Shareholders' equity		
Share capital	17,829	17,829
Capital surplus	19,546	19,546
Retained earnings	104,177	105,820
Treasury shares	(7,670)	(8,749)
Total shareholders' equity	133,883	134,447
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,586	3,818
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,576	2,699
Remeasurements of defined benefit plans	(37)	(35)
Total accumulated other comprehensive income	6,125	6,482
Non-controlling interests	9,705	9,914
Total net assets	149,713	150,844
Total liabilities and net assets	322,853	324,901

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income**(Quarterly Consolidated Statements of Income)
(Consolidated Three-Month Period Ended January 31)**

(Millions of yen)

	Three months ended January 31, 2024	Three months ended January 31, 2025
Net sales	50,118	53,673
Cost of sales	35,899	37,132
Gross profit	14,219	16,540
Selling, general and administrative expenses	11,233	11,547
Operating profit	2,985	4,993
Non-operating income		
Interest income	21	39
Dividend income	94	118
Rental income	18	19
Foreign exchange gains	10	11
Other	182	172
Total non-operating income	327	361
Non-operating expenses		
Interest expenses	36	55
Loss on cancellation of leases	18	4
Other	57	81
Total non-operating expenses	112	142
Ordinary profit	3,200	5,212
Extraordinary income		
Gain on sale of non-current assets	10	4
Gain on sale of shares of subsidiaries and associates	1	-
Total extraordinary income	12	4
Extraordinary losses		
Loss on sale and retirement of non-current assets	56	58
Total extraordinary losses	56	58
Profit before income taxes	3,156	5,157
Income taxes - current	735	1,279
Income taxes - deferred	474	413
Total income taxes	1,209	1,693
Profit	1,947	3,464
Profit attributable to non-controlling interests	169	226
Profit attributable to owners of parent	1,778	3,238

(Quarterly Consolidated Statements of Comprehensive Income)
(Consolidated Three-Month Period Ended January 31)

(Millions of yen)

	Three months ended January 31, 2024	Three months ended January 31, 2025
Profit	1,947	3,464
Other comprehensive income		
Valuation difference on available-for-sale securities	319	236
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	2	122
Remeasurements of defined benefit plans, net of tax	1	2
Total other comprehensive income	<u>324</u>	<u>361</u>
Comprehensive income	<u>2,271</u>	<u>3,826</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,097	3,595
Comprehensive income attributable to non-controlling interests	173	230

(3) Notes Concerning Quarterly Consolidated Financial Statements

(Notes on changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," Etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the first quarter of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This has no impact on the quarterly consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first quarter of the fiscal year under review. This change in accounting policies has been applied retrospectively, and is reflected in the quarterly consolidated financial statements for the same period of the prior fiscal year and the consolidated financial statements for the prior fiscal year. This has no impact on the quarterly consolidated financial statements for the same period of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

(Notes on Segment Information, Etc.)

I Three-month period ended January 31, 2024 (From November 1, 2023 to January 31, 2024)

1. Information concerning the amount of net sales and income or loss by reporting segment, and information on disaggregation of revenue

	(Millions of yen)		
	Reporting segment Business related to the Construction Equipment Rental Division	Other businesses (Note)	Total
Net sales			
Rental contracts	34,068	1,989	36,058
Sales of merchandise and finished goods	7,622	2,638	10,260
Other	3,602	175	3,778
Revenue from contracts with customers	45,293	4,803	50,096
Other revenues	21	-	21
Net sales to outside customers	45,315	4,803	50,118
Net sales or transfers between related segments	-	-	-
Total	45,315	4,803	50,118
Segment income	2,633	218	2,852

(Note) The "Other businesses" classification encompasses business segments not included in the reporting segment, and includes the Steel Product Sales Business, the Information Products Rental Business, the Welfare-related Business and other businesses.

2. Difference between total reporting segment income or loss and the amount reported on the Quarterly Consolidated Statement of Income, and the main reasons for the difference (Matters Pertaining to Reconciliation of Difference)

(Millions of yen)	
Income	Amount
Reporting segment total	2,633
Income for "Other businesses" classification	218
Other adjustments	133
Operating profit reported on the Quarterly Consolidated Statement of Income	2,985

II Three-month period ended January 31, 2025 (From November 1, 2024 to January 31, 2025)

1. Information concerning the amount of net sales and income or loss by reporting segment, and information on disaggregation of revenue

(Millions of yen)

	Reporting segment	Other businesses (Note)	Total
	Business related to the Construction Equipment Rental Division		
Net sales			
Rental contracts	36,051	2,102	38,153
Sales of merchandise and finished goods	8,264	3,162	11,426
Other	3,776	297	4,074
Revenue from contracts with customers	48,092	5,562	53,654
Other revenues	18	-	18
Net sales to outside customers	48,110	5,562	53,673
Net sales or transfers between related segments	-	-	-
Total	48,110	5,562	53,673
Segment income	4,632	219	4,852

(Note) The "Other businesses" classification encompasses business segments not included in the reporting segment, and includes the Steel Product Sales Business, the Information Products Rental Business, the Welfare-related Business and other businesses.

2. Difference between total reporting segment income or loss and the amount reported on the Quarterly Consolidated Statement of Income, and the main reasons for the difference (Matters Pertaining to Reconciliation of Difference)

(Millions of yen)

Income	Amount
Reporting segment total	4,632
Income for "Other businesses" classification	219
Other adjustments	141
Operating profit reported on the Quarterly Consolidated Statement of Income	4,993

(Note on Significant Changes to Shareholders' Equity)

The Company repurchased 337,300 shares of treasury shares in accordance with the resolution of the meeting of the Board of Directors held on December 6, 2024.

As a result, treasury shares increased by ¥1,079 million during the three-month period ended January 31, 2025, resulting in ¥8,749 million as of January 31, 2025.

(Notes Relating to the Going Concern Assumption)

The Company had no material items to report.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows have not been prepared for the three-month period under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three-month periods ended January 31, 2024 and 2025 are as follows.

(Millions of yen)

	Three months ended January 31, 2024	Three months ended January 31, 2025
Depreciation	8,856	8,687
Amortization of goodwill	160	162