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FOR IMMEDIATE RELEASE

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Notification Concerning Revision of Projected Full-Year Operating Results for the Business Period Ending October 2016

Kanamoto Company, Limited has made the following revisions to its projected consolidated and non-consolidated operating results for the fiscal year ending October 31, 2016 (November 1, 2015 - October 31, 2016) released on December 9, 2015 to reflect its latest operating results trend. Details are provided below.

1. Revised projected figures for full-year consolidated operating results for the Business Period ending October 2016 (November 1, 2015 - October 31, 2016)

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

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Prior projection (A)	133,900	16,340	16,270	10,230	289.48
Revised projection (B)	143,200	14,630	14,100	8,550	241.94
Increase/decrease (B - A)	9,300	-1,710	-2,170	-1,680	—
Percent change (%)	6.9%	-10.5%	-13.3%	-16.4%	—
(Reference) Prior fiscal year (Fiscal year ended October 31, 2015)	133,292	16,270	16,164	9,557	266.27

2. Revised projected figures for full-year non-consolidated operating results for the Business Period ending October 2016 (November 1, 2015 - October 31, 2016)

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

	Net sales	Ordinary income	Profit	Net income per share
Prior projection (A)	103,600	14,200	9,230	261.18
Revised projection (B)	102,140	12,250	7,220	204.31
Increase/decrease (B - A)	-1,460	-1,950	-2,010	—
Percent change (%)	-1.4%	-13.7%	-21.8%	—
(Reference) Prior fiscal year (Fiscal year ended October 31, 2015)	102,029	13,948	8,344	232.47

3. Reasons for the revision

Although Kanamoto expects construction demand in the Tohoku region and the Tokyo metropolitan area to remain brisk, in other areas a full-scale recovery in demand is projected to take somewhat longer because of delays

in the start of public works construction, as well as a slowdown in demand in the Company's main business of construction equipment rentals. On the other hand, for its full-year earnings projection the Company forecasts operating income, ordinary income, and profit attributable to owners of parent to fall below its initial plan because of an increase in capital spending accompanying the strengthening and expansion of branches for the future, and the impact of the increased burden for depreciation resulting from this investment.

(Note) The Company's earnings forecasts were prepared based on information available to the Company as of the date this material was released.

Actual operating results may differ from the forecast figures as a result of various future factors.

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