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Discontinuation of System for Retirement Allowances to Directors and Auditors and Termination Payout

At its meeting held today, the Board of Directors of Kanamoto Company, Limited (Kanchu Kanamoto, President; Head Office: Sapporo, Japan), Japan's leading construction equipment rental company, approved a resolution to discontinue the system for retirement bonuses to directors and auditors. Details are provided below.

1. Purpose

Kanamoto adopted its system for retirement allowances to directors and auditors as a means to provide, within the scope of suitable values based on the standards set by Kanamoto, and following approval by the General Meeting of the Shareholders, allowances for directors based on a resolution of the Board of Directors, and allowances for auditors based on discussions among the Company's auditors. The term of office of Kanamoto's directors is one year, and because deferred payment premised on a term of office spanning several years is considered inappropriate for a body that is appointed annually by the shareholders, and because today the system has become somewhat unclear to the shareholders, the Board of Directors resolved to discontinue the system at this time.

Furthermore, the Company has obtained the consent of the Audit Committee to similarly discontinue the system for retirement allowances to auditors, which is believed will further ensure the identity of the auditors.

2. System termination date

This system will be terminated at the conclusion of the 47th Regular General Meeting of the Shareholders.

3. Termination payout in conjunction with discontinuation of the system

The past portion of the termination payout will be conditional on obtaining the approval of the General Meeting of the Shareholders. The payout date will be the retirement date of each director and auditor, and the specific amounts and method of payment will be decided at the respective meetings of the Board of Directors and Audit Committee convened after the General Meeting of the Shareholders.

End