



Notice Concerning Determination of the Number of New Shares to be Issued by Capital Increase by way of Third-Party Allotment

December 17, 2018

Company name Kanamoto Co., Ltd.
Listings The First Section of the Tokyo Stock Exchange; Sapporo Stock Exchange
Securities code 9678 URL <https://www.kanamoto.co.jp/en/>
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Kanamoto Co., Ltd. (the “Company”) announces that, in relation to the issuance of new shares by way of third-party allotment, which was resolved simultaneously with the issuance of new shares by way of primary offering in Japan (Public Offering), disposition of treasury shares by way of public offering in Japan (Disposition) and the secondary offering of shares (Secondary Offering by way of Over-Allotment), at the meeting of the Board of Directors held on November 12, 2018, it has been notified by the allottee that it has elected to subscribe for part of the shares to be issued thereby as set forth below:

1. Number of New Shares 400,000 shares
(Number of shares issuable: 450,000 shares)
2. Total Amount to be Paid ¥1,260,960,000
(¥3,152.40 per share)
3. Amount of Stated Capital to be Increased ¥630,480,000
(¥1,576.20 per share)
4. Amount of Additional Paid-in Capital to be Increased ¥630,480,000
(¥1,576.20 per share)
5. Payment Date Wednesday, December 19, 2018

Note: This press release does not constitute an investment solicitation for any securities for sale. This press release has been prepared for the purpose of publicly announcing that the Company has resolved matters relating to the issuance of new shares, the secondary offering of its shares and the issuance of new shares by way of third-party allotment, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan
This press release does not constitute an offer of investment in nor solicitation for purchase of its shares of common stock within the United States or elsewhere. The Company has not, and will not, registered any of its shares of common stock under the U.S. Securities Act of 1933 or any relevant securities law of any state. The securities may not be offered or sold in the United States absent registration or an exemption from registration requirements under the U.S. Securities Act of 1933. No offer of securities for sale in the United States will be made in connection with the above-mentioned transactions.



<For Reference>

1. This capital increase by way of third-party allotment was resolved at the meeting of the Board of Directors held on November 12, 2018, simultaneously with the issuance of new shares by way of primary offering in Japan (Public Offering), disposition of treasury shares by way of public offering in Japan (Disposition) and the secondary offering of shares (Secondary Offering by way of Over-Allotment).

For the details of the capital increase by way of third-party allotment, please see “Notice Concerning Issuance of New Shares, Disposition of Treasury Shares and Secondary Offering of Shares” announced on November 12, 2018 and “Notice Concerning Determination of Issue Price, Disposition Price and Selling Price and Other Matters relating to Issuance of New Shares, Disposition of Treasury Shares and Secondary Offering of Shares” announced on November 20, 2018.

2. Change in the total number of issued shares as a result of capital increase by way of third-party allotment

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| Total number of issued shares at present: | 38,342,241 shares (as of December 17, 2018) |
| The number of shares to be issued for the third-party allotment: | 400,000 shares |
| Total number of issued shares after the capital increase by way of third-party allotment: | 38,742,241 shares |

3. Use of proceeds

The proceeds from the primary offering and the capital increase by way of third party allotment, the sum of which is estimated to be 10,667,660,000 yen, are to be used, in the fiscal year ending October 2019, the fiscal year ending October 2020 and the fiscal year ending October 2021, for part of the repayment of debt including the Company's installment obligations related to the acquisition of rental equipment through installment payment transactions etc. during the fiscal year ending October 2019. Until used as set forth above, the Company intends to invest the unused portion of the net proceeds in investment-grade debt or other similar instruments.

See the notice entitled “Notice Concerning Issuance of New Shares, Disposition of Treasury Shares and Secondary Offering of Shares” on November 12, 2018 for more details.

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