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Notification Concerning Revision of Projected Operating Results for the Six-Month Period of the Fiscal Year Ending October 31, 2023

Kanamoto Co., Ltd. has made the following revisions to its projected operating results for the six-month period of the fiscal year ending October 31, 2023 (November 1, 2022 - April 30, 2023) released on December 9, 2022, based on recent market trends and currently available information.

1. Revised projected figures for consolidated operating results for the six-month period of the fiscal year ending October 31, 2023 (November 1, 2022 - April 30, 2023)

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

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Earnings per Share
Prior projection (A)	96,700	6,200	6,200	3,600	98.78
Revised projection (B)	97,260	5,320	5,480	2,920	80.11
Increase/decrease (B-A)	560	-880	-720	-680	—
Percent change (%)	0.6%	-14.2%	-11.6%	-18.9%	—
(Reference) Actual results for the six-month period in the previous fiscal year (Fiscal year ended October 31, 2022)	93,715	7,098	7,457	4,540	121.54

2. Revised projected figures for non-consolidated operating results for the six-month period of the fiscal year ending October 31, 2023 (November 1, 2022 - April 30, 2023)

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

	Net Sales	Ordinary Profit	Profit	Earnings per Share
Prior projection (A)	56,600	2,700	1,800	49.39
Revised projection (B)	57,460	2,030	1,220	33.47
Increase/decrease (B-A)	860	-670	-580	—
Percent change (%)	1.5%	-24.8%	-32.2%	—
(Reference) Actual results for the six-month period in the previous fiscal year (Fiscal year ended October 31, 2022)	57,348	3,781	2,550	68.27

3. Reasons for the revision

In the construction industry in which the Group is involved, although public sector investment remained firm, and gradual recovery in private sector construction investment continued, the situation remained unpredictable as there were concerns about rising construction costs and delays in equipment supply due to semiconductor supply shortages.

In such circumstances, the Group worked to create a system to strengthen its ability to respond to various types of construction projects, etc., such as by making upfront investments into rental equipment, where demand is expected, and newly establishing sales bases.

However, as earnings are expected to fall below the initial plan due to investment in human resources in preparation for the future in addition to an increase in depreciation and selling, general and administrative expenses due to absorption-type merger within the Group, the Company decided to revise make the revisions stated above.

With regard to the full-year projected operating results, demand is expected to recover due to the continuation of redevelopment construction in urban areas, extension projects for bullet trains and renewable energy-related construction. The Group is working together to achieve the initial plan by proceeding with various large-scale projects, such as the construction of semiconductor plants and security-related construction, primarily in Hokkaido and Kyushu, in addition to building an organizational structure for the optimization of rental unit price and other efforts.

The Company will promptly disclose any necessary revisions to its projected operating results in the future.

4. Scheduled date for announcing dividends and financial results

In accordance with the initial plan, an interim dividend of ¥35 per share will be proposed to the Board of Directors. Furthermore, the Six-Month Consolidated Financial Report for the Fiscal Year Ending October 31, 2023 (Japan GAAP) is scheduled to be announced on June 2, 2023 (Friday).

(Note) The projected operating results are based on information available to the Company as of the date of this document's release.

Actual results may differ from the projected figures due to various factors arising in the future.

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