



# kanamoto

## Fiscal Year Ended October 31, 2024 Operating Results and The Medium-term Management Plan Briefing Materials

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### Kanamoto Co., Ltd.

Stock Code: 9678

(Tokyo Stock Exchange, Prime Market/Sapporo Securities Exchange)

December 9, 2024

Tetsuo Kanamoto

President and CEO  
Executive Division Manager,  
Business Coordination Headquarters

Shun Hirose

Director and Corporate Officer  
Division Manager, Accounting Division  
General Manager, Public Relations Office

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Division Manager,  
Corporate Planning Division

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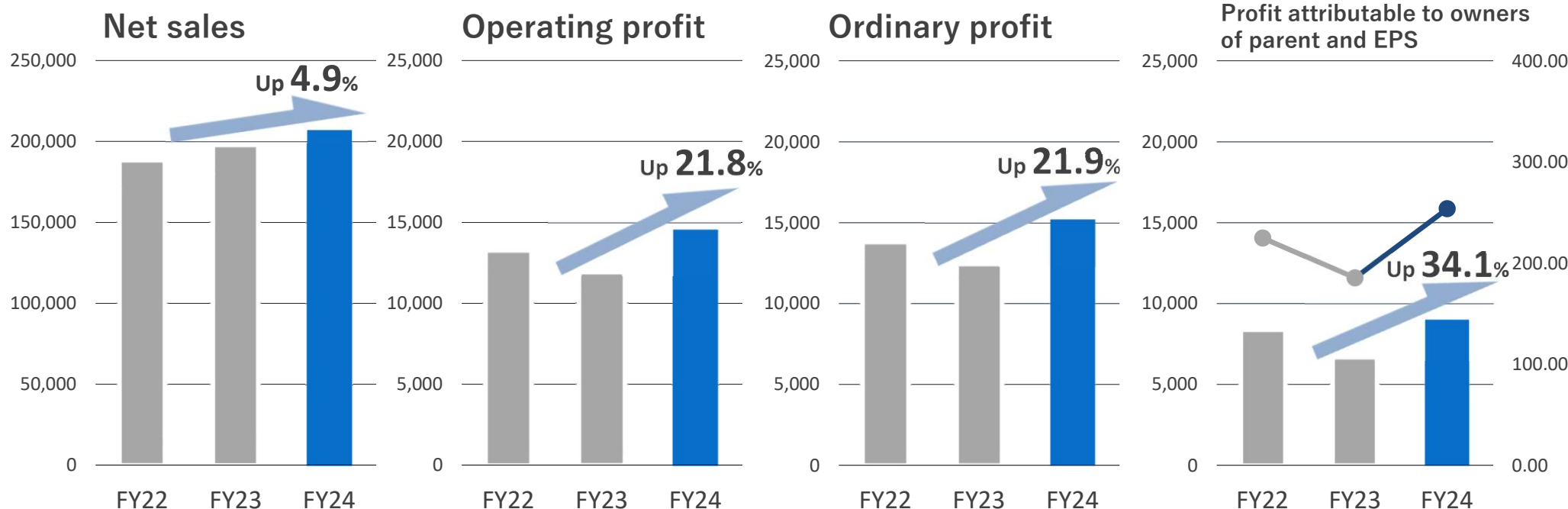
## Consolidated Operating Results for the Fiscal Year Ended October 31, 2024

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# Consolidated Operating Results for the Fiscal Year Ended October 31, 2024

(Millions of yen)

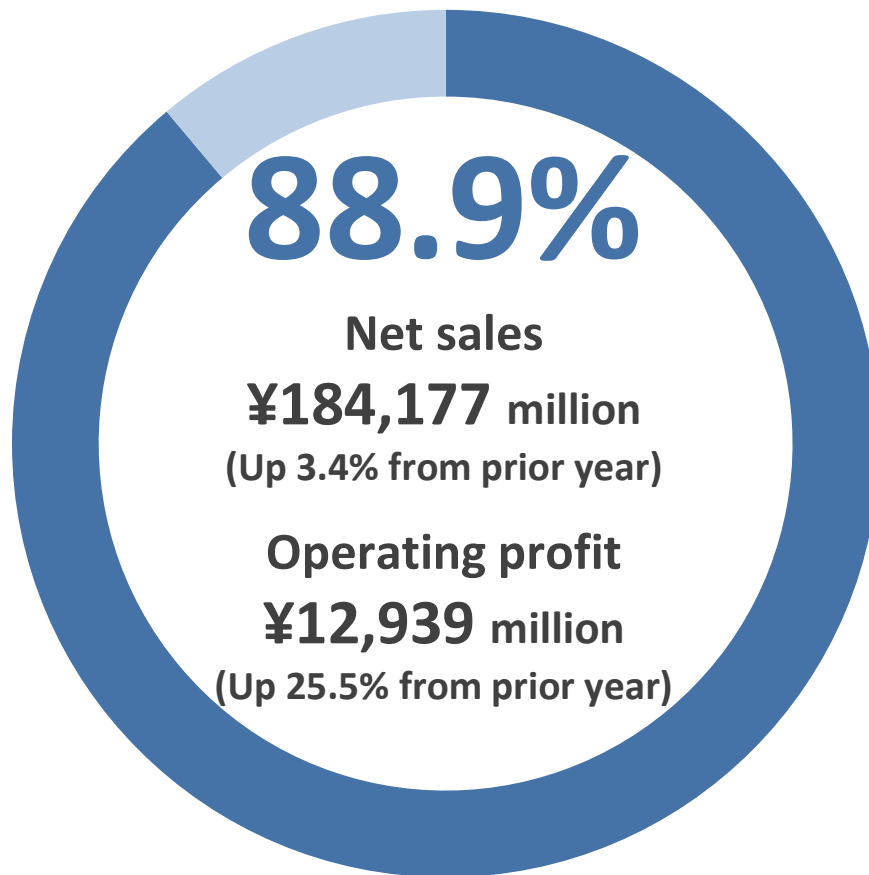
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	EPS
<b>Consolidated operating results for the fiscal year ended October 31, 2024</b>	<b>207,218</b>	<b>14,569</b>	<b>15,218</b>	<b>9,013</b>	<b>¥253.72</b>
% change from prior year	<b>4.9%</b>	<b>21.8%</b>	<b>21.9%</b>	<b>34.1%</b>	—
Consolidated operating results for the fiscal year ended October 31, 2023	197,481	11,958	12,488	6,721	¥185.40
% change from prior year	5.0%	-9.6%	-9.4%	-19.5%	—
Consolidated operating results for fiscal year ended October 31, 2022	188,028	13,229	13,780	8,345	¥224.64



# Consolidated Results by Segment

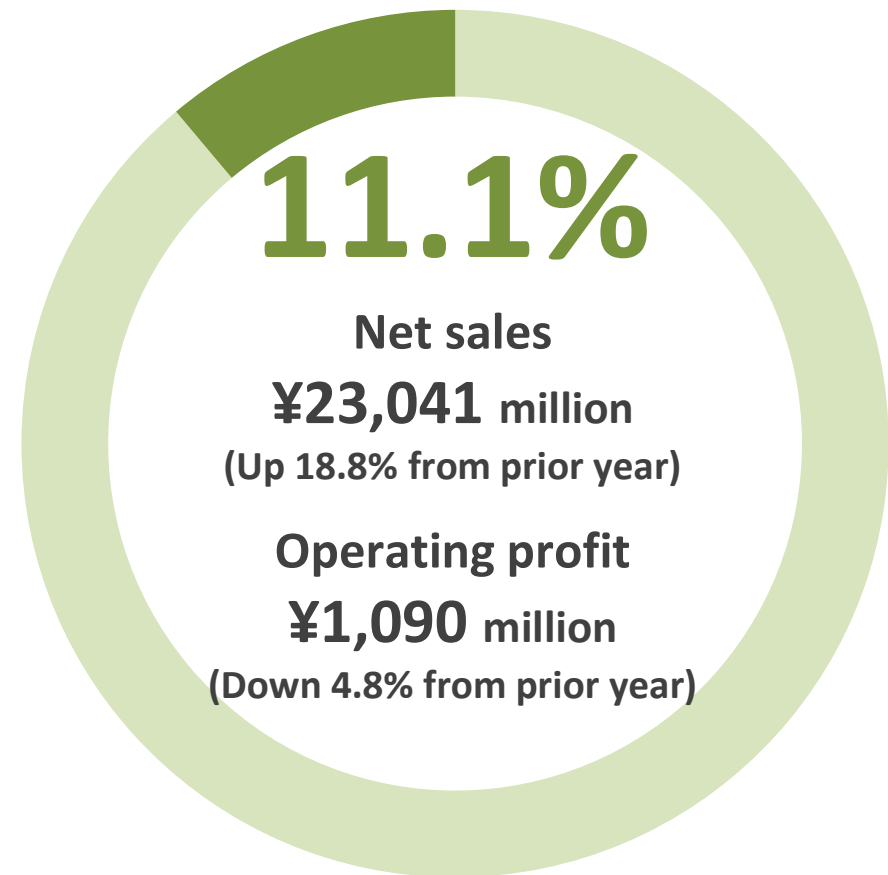
The Construction Equipment Rental Business makes up 88.9% of total sales while Other Businesses contributed 11.1%.

## Construction Equipment Rental Business



## Other Businesses

(Steel Product Sales Business, Information Products Rental Business, Welfare-related Business, etc.)



**Net sales : ¥207,218 million (Up 4.9% from prior year)**  
**Operating profit : ¥14,569 million (Up 21.8% from prior year)**

# Changes in Consolidated Net Sales from Construction Equipment Rental by Region

% change from prior year by region

**Hokkaido Region** Up 7.1%

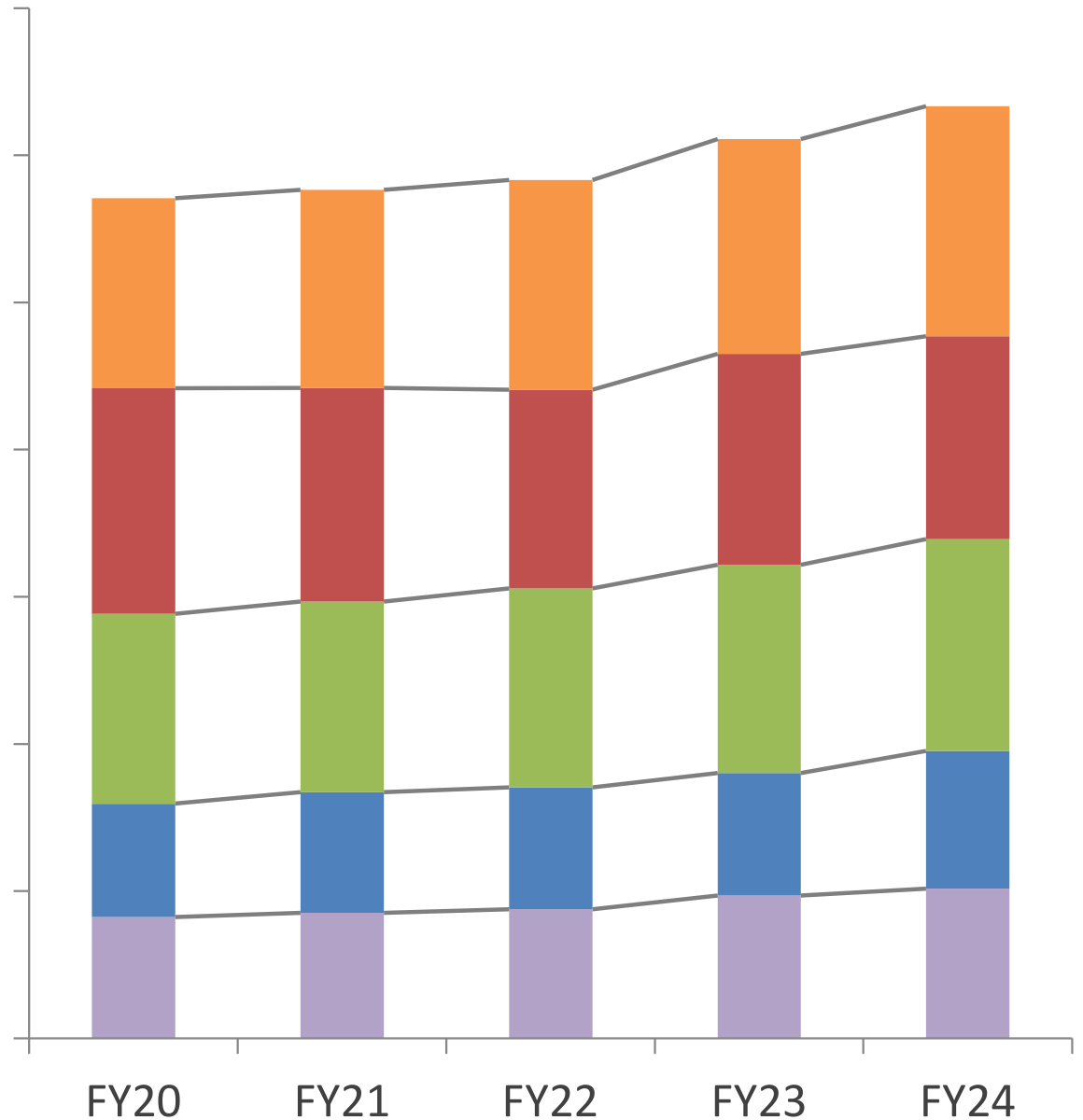
**Tohoku Region** Down 3.8%

**Kanto & Koshinetsu Region** Up 1.8%

**West Japan Region** Up 12.4%

**Kyushu & Okinawa Region** Up 4.8%

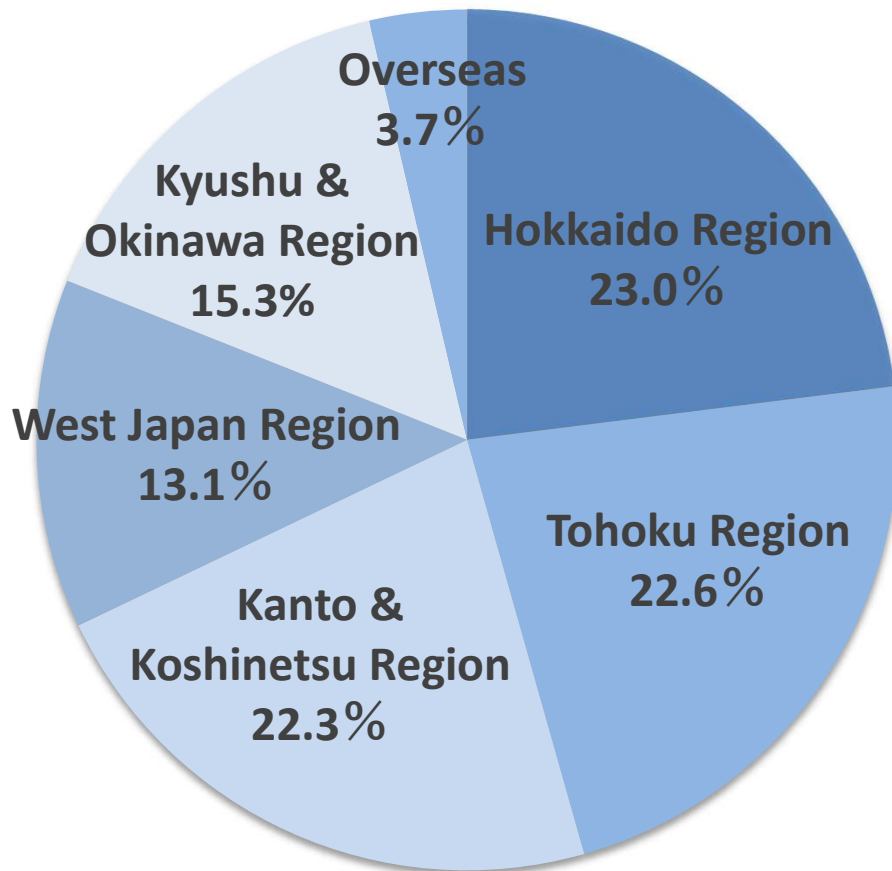
Consolidated total net sales of construction equipment rentals **Up 3.7%**



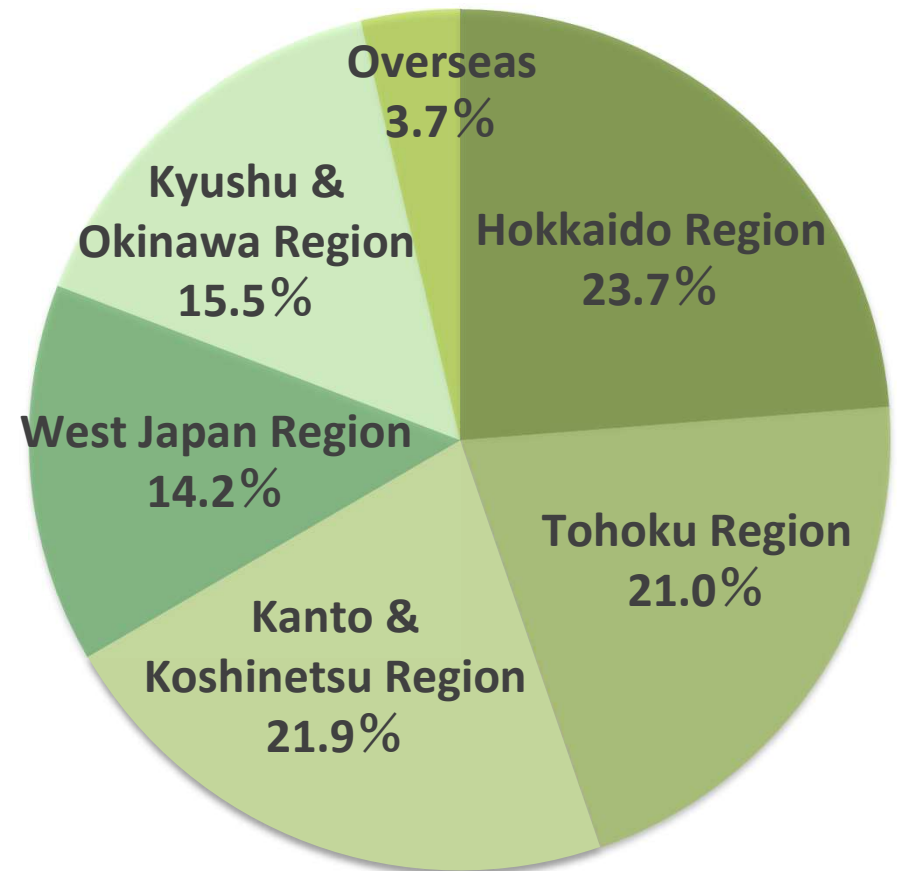
# Construction Equipment Rental Business: **kanamoto**

## Sales Ratio of Equipment Rentals by Region

### FY2023



### FY2024



# Assets Balance Sheet

(Millions of yen)

	FY2023	FY2024	Change
<b>Assets</b>			
Current assets	120,298	126,675	6,377
Cash and deposits	45,611	51,104	5,493
Notes and accounts receivable - trade, and contract assets	41,048	43,478	2,429
Other current assets	33,638	32,093	-1,545
Non-current assets	196,141	196,177	35
Property, plant and equipment	173,977	175,070	1,093
Rental equipment	308,318	322,689	14,371
Accumulated depreciation	-197,632	-211,172	-13,540
Rental equipment, net	110,685	111,516	830
Other property, plant and equipment	63,291	63,554	262
Intangible assets	5,778	4,833	-944
Investments and other assets	16,386	16,272	-113
<b>Total assets</b>	<b>316,440</b>	<b>322,853</b>	<b>6,412</b>



# Liabilities and Net Assets

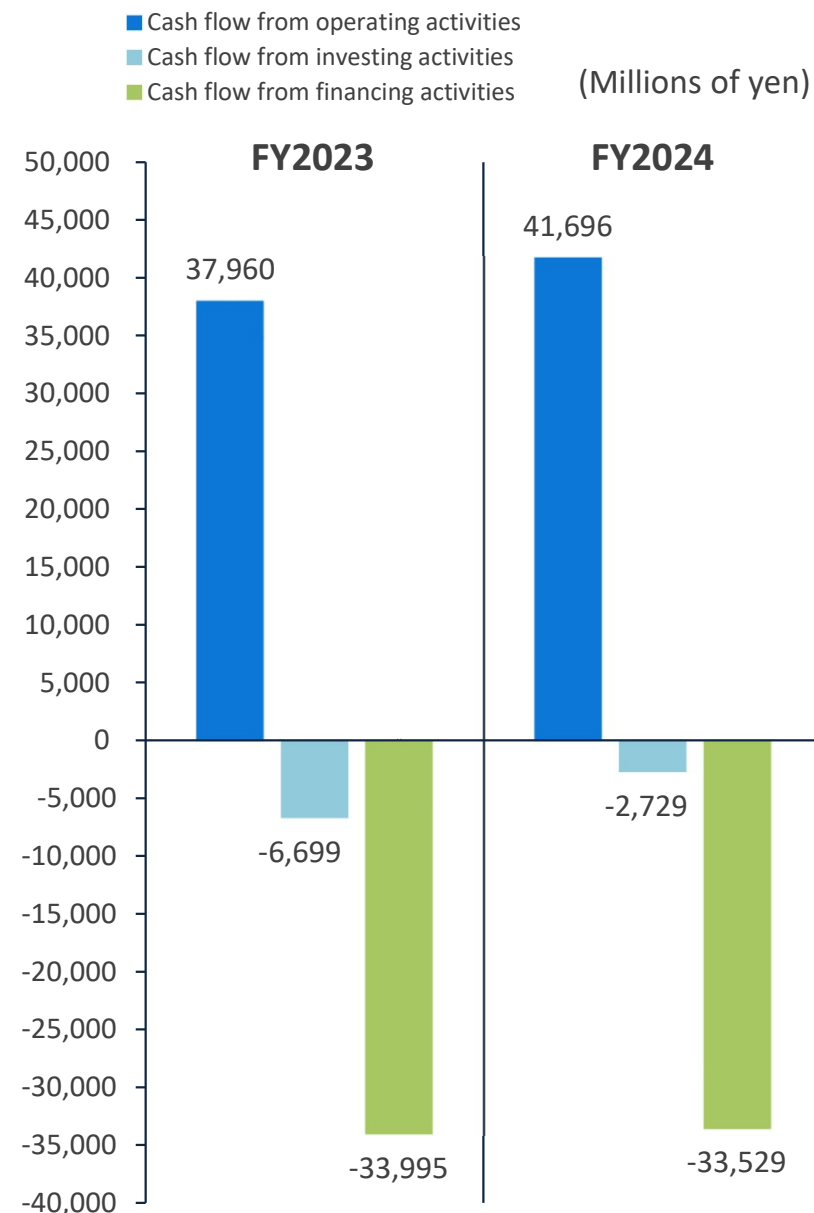
(Millions of yen)

	FY2023	FY2024	Change
<b>Liabilities</b>			
Current liabilities	87,624	92,817	5,193
Notes and accounts payable - trade	36,077	33,728	-2,348
Current portion of long-term borrowings	14,600	21,331	6,730
Other current liabilities	36,946	37,758	811
Non-current liabilities	85,139	80,322	-4,817
Long-term borrowings	35,796	32,402	-3,394
Long-term accounts payable - other	42,324	41,088	-1,236
Other non-current liabilities	7,018	6,832	-185
<b>Total liabilities</b>	<b>172,763</b>	<b>173,140</b>	<b>376</b>
<b>Net assets</b>			
Total shareholders' equity	129,198	133,883	4,684
Accumulated other comprehensive income	5,296	6,125	828
Non-controlling interests	9,181	9,705	523
<b>Total net assets</b>	<b>143,677</b>	<b>149,713</b>	<b>6,036</b>
<b>Total liabilities and net assets</b>	<b>316,440</b>	<b>322,853</b>	<b>6,412</b>

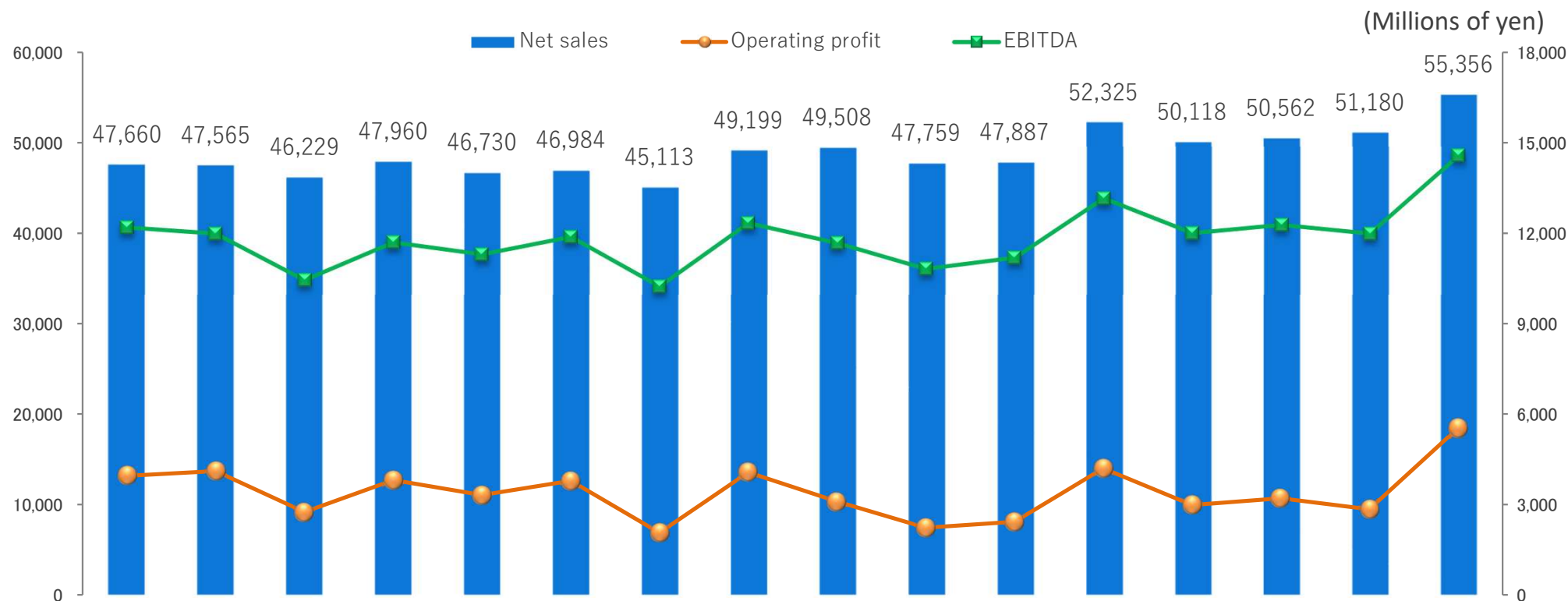
# Cash Flows

Cash and cash equivalents were 50,586 million yen, an increase of 5,493 million yen compared to the previous consolidated fiscal year.

	FY2023	FY2024	Change
Cash flow from operating activities	37,960	41,696	3,735
Cash flow from investing activities	-6,699	-2,729	3,969
Cash flow from financing activities	-33,995	-33,529	465
Net increase (decrease) in cash and cash equivalents	-2,685	5,493	8,178
Cash and cash equivalents at beginning of period	47,047	45,093	-1,953
Cash and cash equivalents at end of period	45,093	50,586	5,493



# Changes in Quarterly Financial Results



	FY2021				FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	47,660	47,565	46,229	47,960	46,730	46,984	45,113	49,199	49,508	47,759	47,887	52,325	50,118	50,562	51,180	55,356
Operating profit	3,953	4,107	2,749	3,813	3,311	3,786	2,064	4,067	3,096	2,231	2,427	4,202	2,985	3,202	2,840	5,540
Depreciation	8,244	7,878	7,701	7,887	7,990	8,094	8,176	8,266	8,581	8,592	8,764	8,952	9,016	9,073	9,145	9,040
EBITDA	12,197	11,986	10,451	11,701	11,302	11,881	10,241	12,333	11,678	10,824	11,192	13,155	12,002	12,276	11,986	14,580

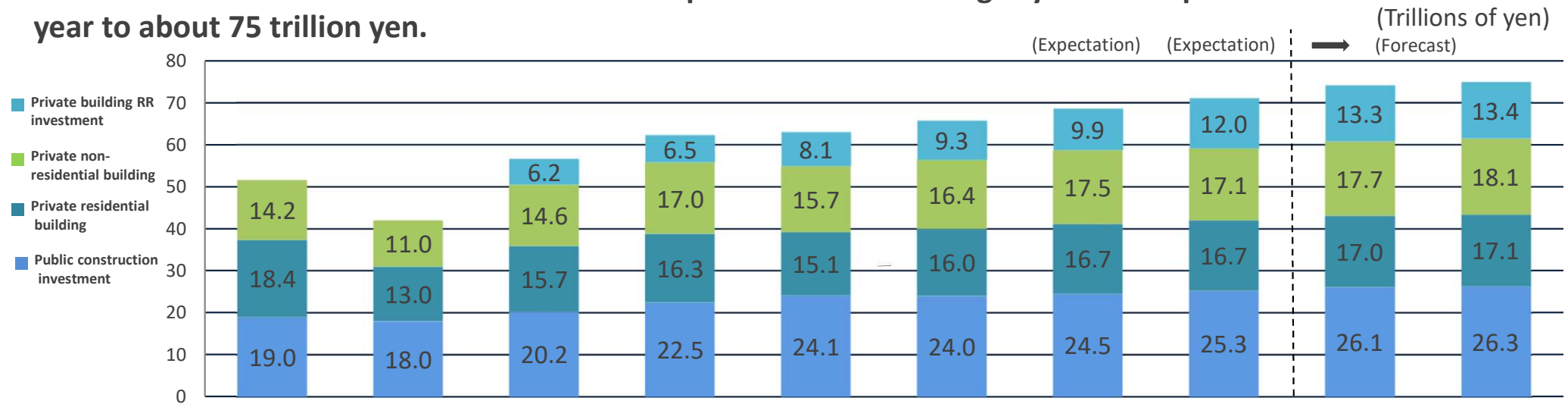
02

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

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# Change in Construction Investment in Japan

Gradual increase in investment after hitting bottom at approximately 42 trillion yen in FY2010.  
 Overall construction investment in FY2025 is expected to increase slightly from the previous year to about 75 trillion yen.

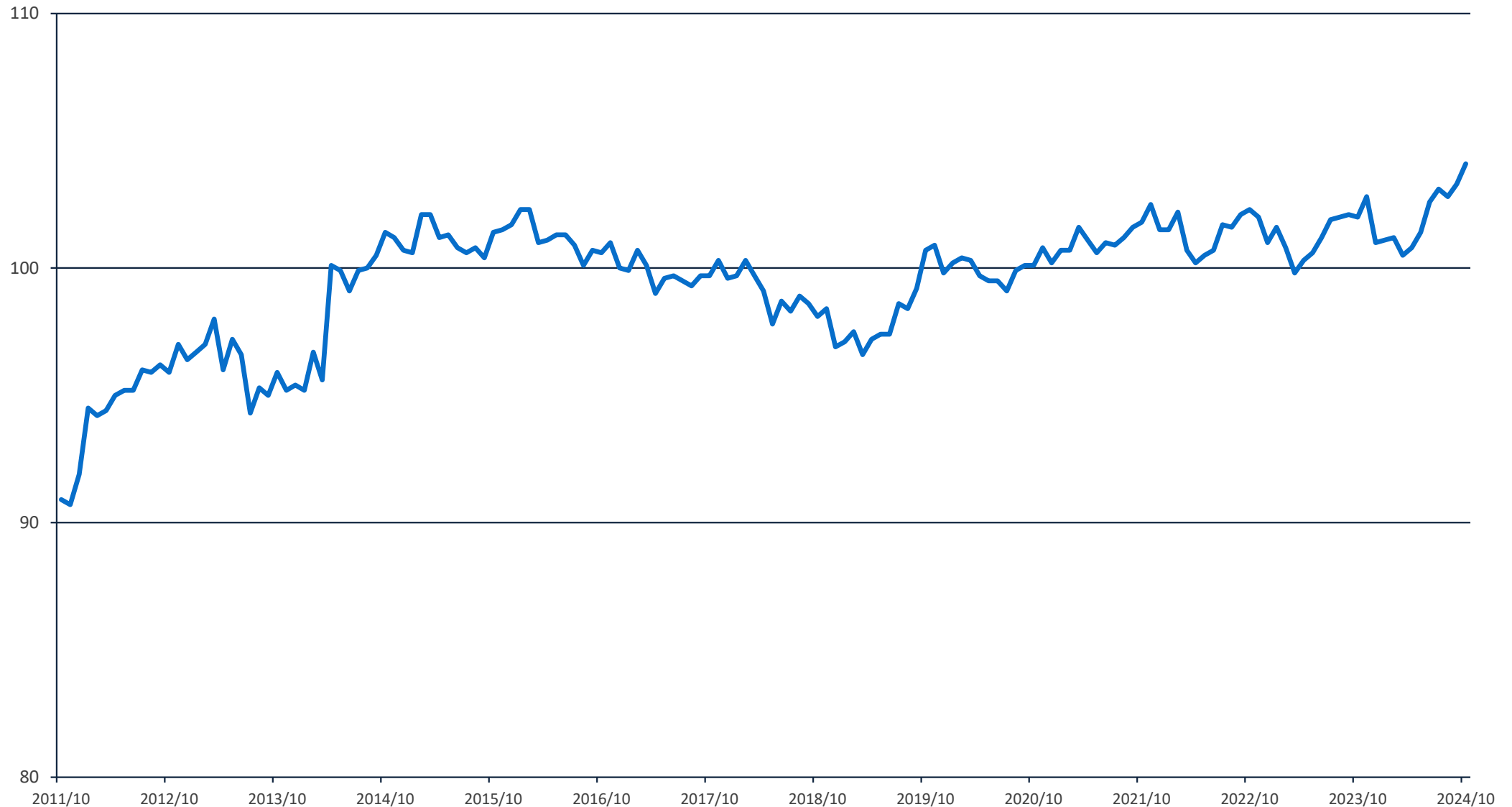


Fiscal year	2005	2010	2015	2019	2020	2021	2022 (Estim.)	2023 (Estim.)	2024 (F'cast.)	2025 (F'cast.)
Total construction	51.6	41.9	56.6	62.3	63.0	65.7	68.5	71.1	74.1	74.9
Change from prior fiscal year	(-2.4%)	(-2.4%)	(19.3%)	(0.8%)	(1.0%)	(4.3%)	(4.3%)	(3.7%)	(4.2%)	(1.1%)
Public construction	19.0	18.0	20.2	22.5	24.1	24.0	24.5	25.3	26.1	26.3
Change from prior fiscal year	(-8.9%)	(0.3%)	(8.6%)	(4.1%)	(7.1%)	(-0.2%)	(1.9%)	(3.2%)	(3.2%)	(0.8%)
Private residential building	18.4	13.0	15.7	16.3	15.1	16.0	16.7	16.7	17.0	17.1
Change from prior fiscal year	(0.3%)	(1.1%)	(5.5%)	(-2.5%)	(-7.7%)	(6.4%)	(4.3%)	(-0.2%)	(1.9%)	(0.8%)
Private non-residential building	14.2	11.0	14.6	17.0	15.7	16.4	17.5	17.1	17.7	18.1
Change from prior fiscal year	(4.0%)	(-10.0%)	(3.9%)	(0.4%)	(-7.8%)	(4.2%)	(6.6%)	(-2.1%)	(3.8%)	(1.8%)
Private building RR investment	—	—	6.2	6.5	8.1	9.3	9.9	12.0	13.3	13.4
Change from prior fiscal year	—	—	—	(-0.5%)	(25.1%)	(13.9%)	(6.7%)	(22.0%)	(10.0%)	(1.1%)
Substantive construction investment	57.5	44.9	56.6	57.7	58.3	58.1	57.0	57.6	58.4	58.6
Change from prior fiscal year	(-3.4%)	(-2.6%)	(19.0%)	(-1.5%)	(1.1%)	(-0.5%)	(-1.8%)	(1.1%)	(1.3%)	(0.4%)

Source: Prepared based on the Construction Economy Model Forecast of Construction Investment (October 2024) published by the Research Institute of Construction and Economy (RICE)

# Corporate Service Price Index (Construction Equipment Rental)

The construction equipment rental index shows a stable trend.



Source: Bank of Japan Corporate Service Price Index (CSPI) on the 2020 Year Base (Construction Equipment Rental)

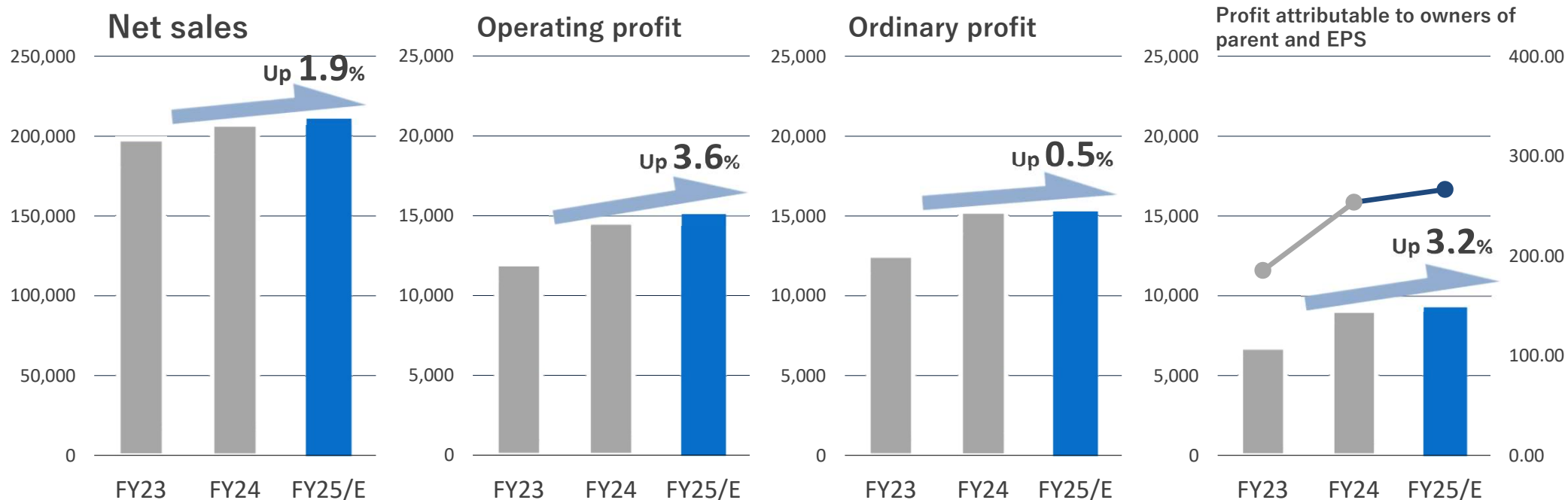
# Projected Consolidated Operating Results

## for the Fiscal Year Ending October 31, 2025

There are concerns that factors such as the impact of geopolitical risks and rising construction costs will cast a shadow over any recovery in demand, but there are expectations that steady construction investment will continue in both public and private sectors.

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	EPS
<b>Projected consolidated results for the fiscal year ending October 31, 2025</b>	<b>211,100</b>	<b>15,100</b>	<b>15,300</b>	<b>9,300</b>	<b>¥266.49</b>
% change from prior year	1.9%	3.6%	0.5%	3.2%	—
Consolidated results for fiscal year ended October 31, 2024	207,218	14,569	15,218	9,013	¥253.72
% change from prior year	4.9%	21.8%	21.9%	34.1%	—



\*At a meeting of the Board of Directors held on December 6, 2024, the Company resolved to acquire its own shares, and the "Earnings per Share" in the projected consolidated operating results for the fiscal year ending October 31, 2025 takes into account the impact of this acquisition of own shares.

03

The New Medium-term Management Plan

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# Summary of Creative 60 (FY2020 to FY2024)

Even though there remained a difference in performance between regions, there were moves toward a recovery in demand for construction equipment rental, but we remained conscious of asset costs and share price, and worked to improve the revenue structure.

## Change in Consolidated Operating Results

(100 Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	1,806	1,790	1,894	1,880	1,974	2,072
Operating profit	178	142	146	132	119	145
Equity ratio	43.1%	39.5%	41.8%	43.2%	42.5%	43.4%
EPS (yen)	295.30	221.45	235.55	224.64	185.40	253.72
BPS (yen)	2,981.68	3,150.30	3,357.10	3,571.98	3,729.73	3,950.40
ROA	4.5%	3.0%	3.0%	2.7%	2.2%	2.8%
ROE	10.8%	7.2%	7.2%	6.4%	5.0%	6.6%
EBITDA+	563	537	570	562	578	617

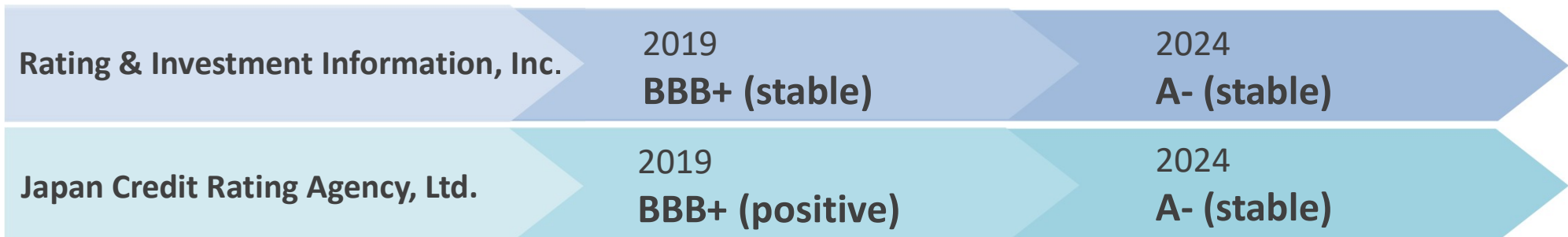
# Summary of Creative 60 (FY2020 to FY2024)

The general construction equipment rental company concept is steadily being developed through SOOKI and its measurement equipment rentals, local subsidiary M&A in Australia, and other initiatives.



\*Data in parentheses are for 2019

## Putting our finances on a healthy footing: Ratings



# 2030 Vision

## 2030 Vision

While aiming to build a foundation for sustainable growth, we will contribute to the realization of a sustainable society as a good corporate citizen that coexists with society.

As we continue to push forward with the initiatives of Creative 60, we will further strengthen the resilience of our business and enhance our corporate value by developing our business with a greater awareness of sustainability and a proactive response to various changes to the social environment.

## 2030 Numerical Targets

Net sales (Consolidated)	<b>¥225 billion</b>	ROE	Over <b>8%</b>
Operating profit (Consolidated)	<b>¥20 billion</b>	Total return ratio	Over <b>50%</b>



**Aiming to achieve our targets by FY2029**

# Measures to Implement Management That Is Conscious of Cost of Capital and Share Price

## Improving PBR is an important management issue

### Analysis of current circumstances

- To improve ROE (return on equity), which is currently below 8%, and PBR (price-to-book ratio), currently less than 1.0, we are taking measures to implement management that is conscious of cost of capital and share price in conjunction with **setting a 2030 Vision target**.
- With the aim of achieving higher capital efficiency that exceeds the current cost of capital of approximately 7% (CAPM: Capital Asset Pricing Model), we will **prioritize efficiency and increase both the utilization and unit price of our rental assets**. **Our immediate goal is to quickly recover to an ROE of 8% or higher, and then in the medium to long term, raise that to 10% or higher**. At the same time, we will meet our shareholders' expectations by continuing our **stable dividend policy and a total payout ratio of 50% or higher**.
- Through continuous investment in rental assets and human capital, as well as M&As inside and outside Japan, we aim to warrant inclusion in the global top five in our industry and aspire to sustainable growth.

### Initiatives

1. Increasing profitability
2. Strengthening the policy for shareholder returns
3. Continuing to carry out proactive IR activities

### Specific measures for increasing profitability

1. Improving the utilization rate of rental assets
2. Implementing consolidation, closing or merging of business offices
3. Adjustment of rental unit prices to appropriate prices

# Measures to Implement Management That Is Conscious of Cost of Capital and Share Price

## 1 Improving the utilization rate of rental assets

### 1. Reviewing capital investment

Excessive investment in rental assets can be a hindrance to operational efficiency. We will pursue appropriate investment by closely examining whether forecasts, the basis of investment judgements, are suitable and whether volumes, time periods, areas, and equipment mixes are appropriate.

### 2. Promoting longer service lives through maintenance

We possess maintenance staff who are highly skilled and who have specialism and a high degree of loyalty, and we have in place a system that always offers a one-stop solution and full support. When repayments end for a piece of equipment, any rental revenue from that point becomes pure profit, so by lengthening the service lives of our rental assets, we make profits easier.

**944** Construction machinery maintenance technicians on staff\*

\*As of the end of October 2024 (combined total for Advanced, Grade 1, and Grade 2)

### 3. Ensuring assets are in the right place

Operating assets efficiently is the most important issue to raise profits. To improve utilization rates, it is absolutely imperative that we ensure that our rental assets are in the right place. We are therefore implementing the following initiatives:

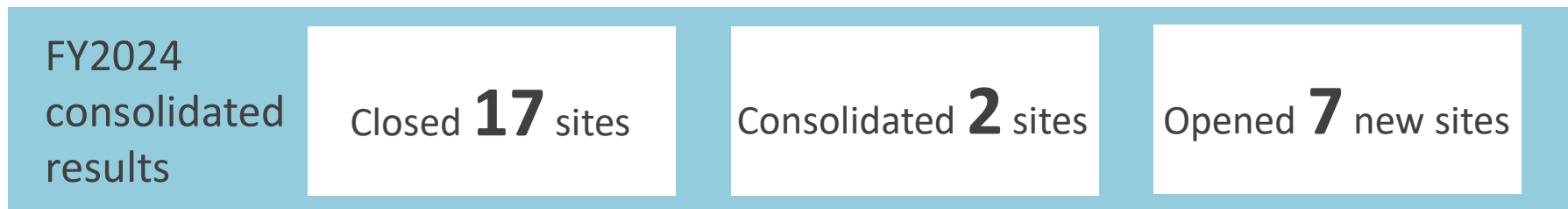
- ▶ All rental equipment is fitted with IC tags and QR codes, and the registered recognition information is utilized in inventory management, etc.
- ▶ Group company systems are being integrated and information shared
- ▶ Online browser systems are being introduced so that the implementation status of inventory management, maintenance, and periodic checks can be verified and required models selected

In the future, we will continue to work to develop IT governance, and promote optimized internal operations.

## That Is Conscious of Cost of Capital and Share Price

### 2 Implementing consolidation, closing or merging of business offices

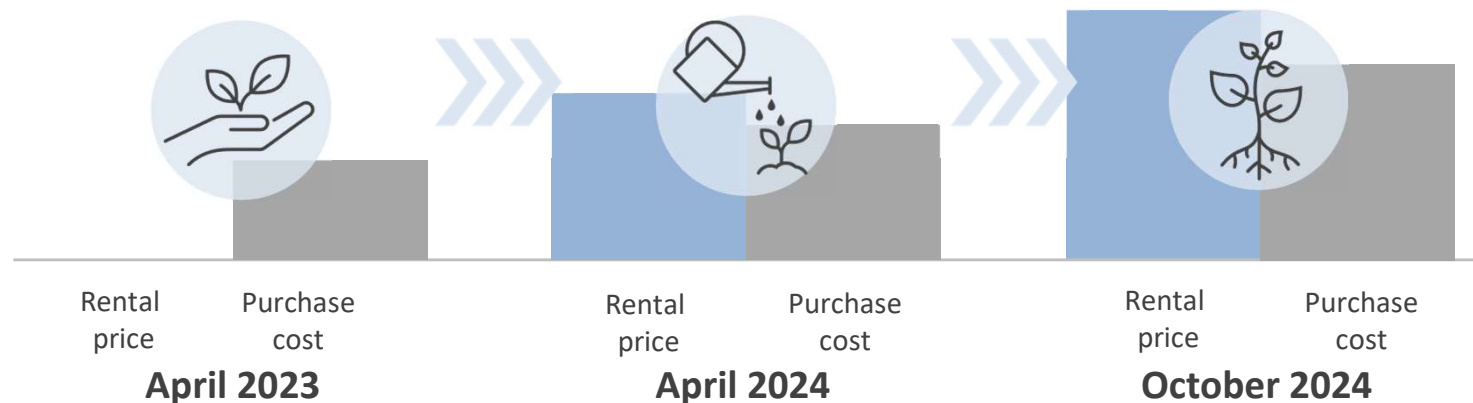
We are carrying out a process of selection and concentration for our business offices. With the goal of suitable asset controls, and with a close focus on demand, we will consolidate, close, and merge business offices as necessary.



### 3 Adjustment of rental unit prices to appropriate prices

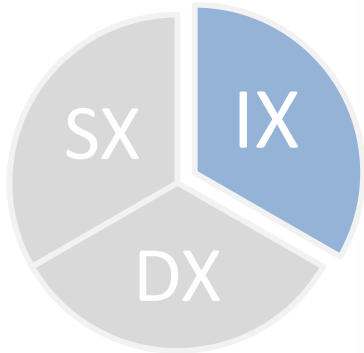
Due to the effects of the rising costs involved in purchasing stock and other factors, since April 2023 we have been notifying our intention to adjust rental unit prices and then moving forward with price rises.

While negotiations with each office are expected to take time, the contribution to performance will begin this year.



\*Illustrative purposes only

# Awareness of Medium- and Long-term Changes to the External Environment and Issues



## Reforms in the industry

### Industrial Transformation

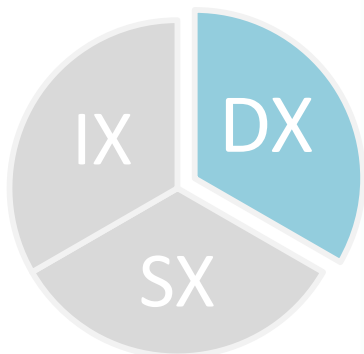
- To respond to purchase cost rises and soaring personnel costs, reforming our revenue structure is a pressing issue
- In the medium and long term, with Japan's low birthrates and aging society, labor shortages at SMEs will become more apparent and there will be increasingly few companies in the industry able to operate
- Long-term, construction investment is forecast to gradually decrease, and a more challenging competitive environment can be expected



## Resolving environment and social issues through business

### Sustainable Transformation

- There are hopes for an asset shift to more environmentally friendly equipment as society works toward carbon neutrality by 2050
- Reforms toward employment styles that meet modern needs for diversity, etc., are necessary
- We need to develop our governance framework for sustainable growth and enhanced corporate value



## An age in which DX determines competitiveness

### Digital Transformation

- Digital technologies are evolving, even in production processes, in areas such as BIM/CIM and automated construction operations
- Digital technologies and data utilization are still works-in-progress, both for ourselves and the construction industry
- If this can be rolled out throughout the construction business, we will be able to create new services that will contribute to dramatic increases in productivity

# The New Medium-term Management Plan (FY2025 to FY2029)

## Progress 65—Toward Achieving Both Growth and Efficiency

In addition to securing an earnings base while achieving solid growth, this plan will focus on improving capital efficiency. Under the plan, the Company will move forward with initiatives that actively address the issues required to realize a sustainable society and make steady progress toward becoming a true general construction equipment rental company.





# The New Medium-term Management Plan (FY2025 to FY2029)

## Positioning of the Medium-term Management Plan

A true general construction equipment rental company

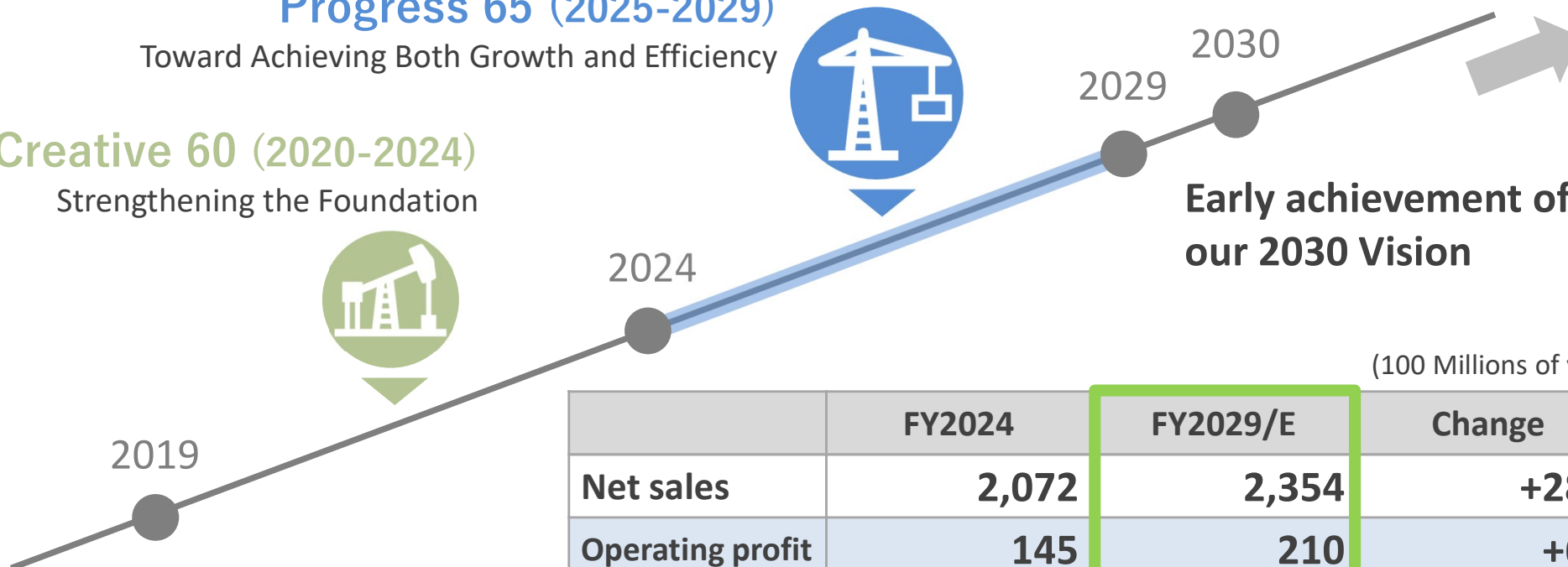
### Progress 65 (2025-2029)

Toward Achieving Both Growth and Efficiency



### Creative 60 (2020-2024)

Strengthening the Foundation



Early achievement of our 2030 Vision

(100 Millions of yen)

	FY2024	FY2029/E	Change
Net sales	2,072	2,354	+282
Operating profit	145	210	+65
Equity ratio	43.4%	42.5%	-0.9%
EPS (yen)	253.72	427.43	+174
BPS (yen)	3,950.40	5,434.58	+1,484
ROA	2.8%	3.5%	+0.7%
ROE	6.6%	8.2%	+1.6%
EBITDA+	617	708	+91

# The New Medium-term Management Plan (FY2025 to FY2029)

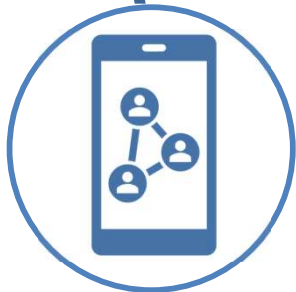
As we take a renewed look at our business portfolio, we will continue to concentrate our management resources on core businesses and aim for greater management efficiency and sustainable growth.

## Priority Measures



### 1. Growth strategies and improvement of capital efficiency

- Strengthening the two initiatives for the construction equipment rental business
- Pursuing efficient use of management resources
- Promoting M&As concerning the construction equipment rental business and associated businesses
- Growing the overseas business



### 2. Enhancement of DX strategies

- Utilization of BIM/CIM, ICT
- Development of new products and new materials
- Operation improvement → Business reform → Business transformation
- Visualization and improved organizational structure of maintenance services

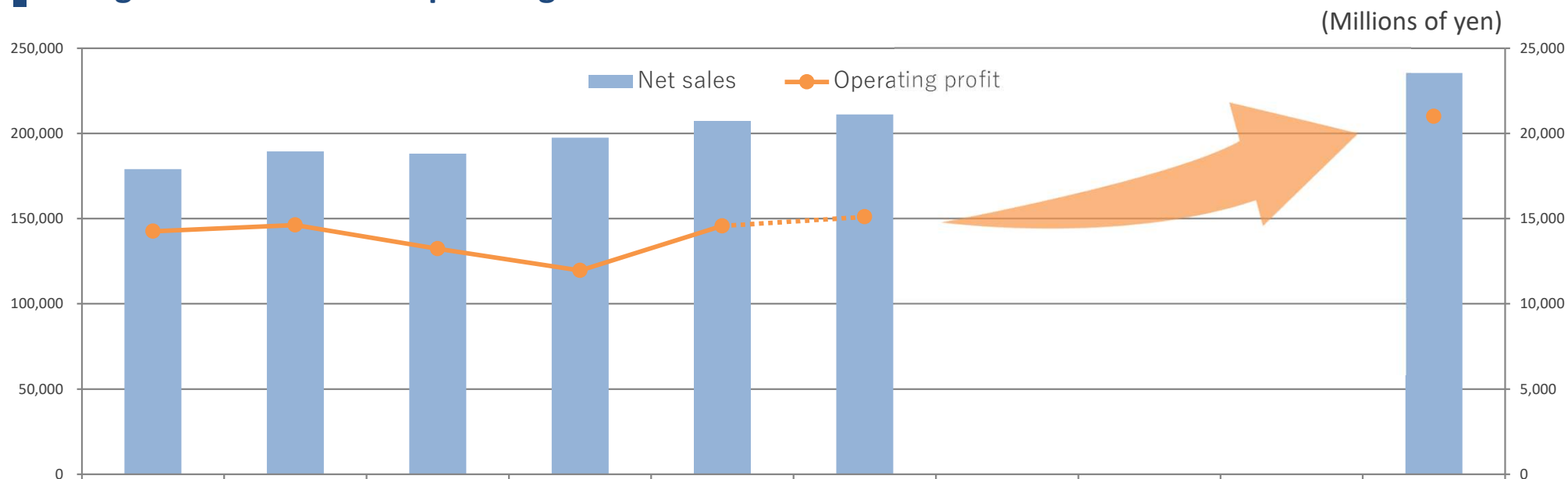


### 3. Sustainability initiatives

- Human rights policy
- Enhancement of investment in human capital
- Promotion of TCFD and environmental measures
- ESG

# The New Medium-term Management Plan (FY2025 to FY2029)

## Change in Consolidated Operating Results



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025/E	FY2026/E	FY2027/E	FY2028/E	FY2029/E
Net sales	179,053	189,416	188,028	197,481	207,218	<b>211,100</b>				<b>235,400</b>
Operating profit	14,250	14,624	13,229	11,958	14,569	<b>15,100</b>				<b>21,000</b>
Operating profit margin	8.0%	7.7%	7.0%	6.1%	7.0%	<b>7.2%</b>				<b>8.9%</b>
Ordinary profit	14,268	15,391	13,780	12,488	15,218	<b>15,300</b>				<b>21,100</b>
Profit attributable to owners of parent	8,466	8,907	8,345	6,721	9,013	<b>9,300</b>				<b>13,400</b>
Net assets	126,188	134,917	140,611	143,677	149,713	—				<b>181,200</b>
Total assets	301,533	303,754	305,320	316,440	322,853	—				<b>396,000</b>

**Creative 60** Strengthening the Foundation

**Progress 65** Toward Achieving Both Growth and Efficiency



# 1. Growth Strategies and Improvement of Capital Efficiency

By forming growth strategies that understand the changing nature of society's needs, and by providing services backed up by our technologies, we will improve value for customers and society.

## Strengthening the two initiatives for the construction equipment rental business

### 1 Improved efficiency

- Appropriate purchases of rental assets
- Amortization cost reductions by improving service lives for asset operations
- Area-specific marketing and stronger rental asset management founded in maintaining and expanding market share

### 2 Improved productivity

- Increase in operating days for rental items
- Increase in rental fees to an appropriate level

1

## Pursuing efficient use of management resources

### Implementing consolidation, closing or merging of business offices

- Reallocation of resources to respond to construction market and project trends
- Stronger response at less profitable offices

### Efficient allocation of management resources

- More advanced, appropriate investment management with a close focus on demand
- More sophisticated business portfolio management

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## Promoting M&As concerning the construction equipment rental business and associated businesses

### Large-scale rental mall that functions as a centralized site for specialty stores

- Expanded market share in the construction equipment rental business
- Initiatives in related businesses with a high degree of overlap
- More resilient rental supply chains

### Accumulate and share all types of solutions

- Provision of technical services that make use of the rental expertise and group network that we have built up
- Initiatives that take the customer's perspective and the provision of new utility

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4 Aiming for overseas sales to make up 10% of the total, and to lift our operating profit margin to 8% or higher

## Growing the overseas business

### 1 More competitive to achieve growth

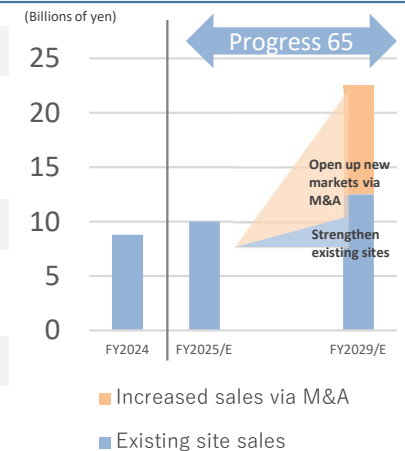
- Focus on growth fields in countries we have already entered and proactive investment in rental assets
- Stronger business cooperation with partner companies
- Entry into new, highly profitable markets via M&A and continued focus shift toward North America

### 2 Pursuit of greater operational efficiency

- More advanced analysis of sales-related indicators for demand-based investment and promotion of more appropriate asset lineup
- Promotion of standardized operations at overseas subsidiaries

### 3 Continued securing of overseas business personnel

- Securing of highly skilled local workers and promotion of transfer of operations to local sites
- Training the next generation of those who will lead business overseas





# 1. Growth Strategies and Improvement of Capital Efficiency

Construction investment in Japan is in excess of ¥74 trillion and is expected to continue growing.

## Major Projects Primarily Driving Business Expansion throughout Japan

Data Centers



EV Battery Plants



Constructions of Semiconductor Plants



Hokkaido Shinkansen



Hokuriku Shinkansen



Linear Chuo Shinkansen



2025 Osaka Expo / Osaka IR



Large-scale Refurbishments of Three NEXCO Companies



Constructions of Self-Defense Forces Bases



Wind Power Generation



Geothermal Power Generation



Solar Power Generation



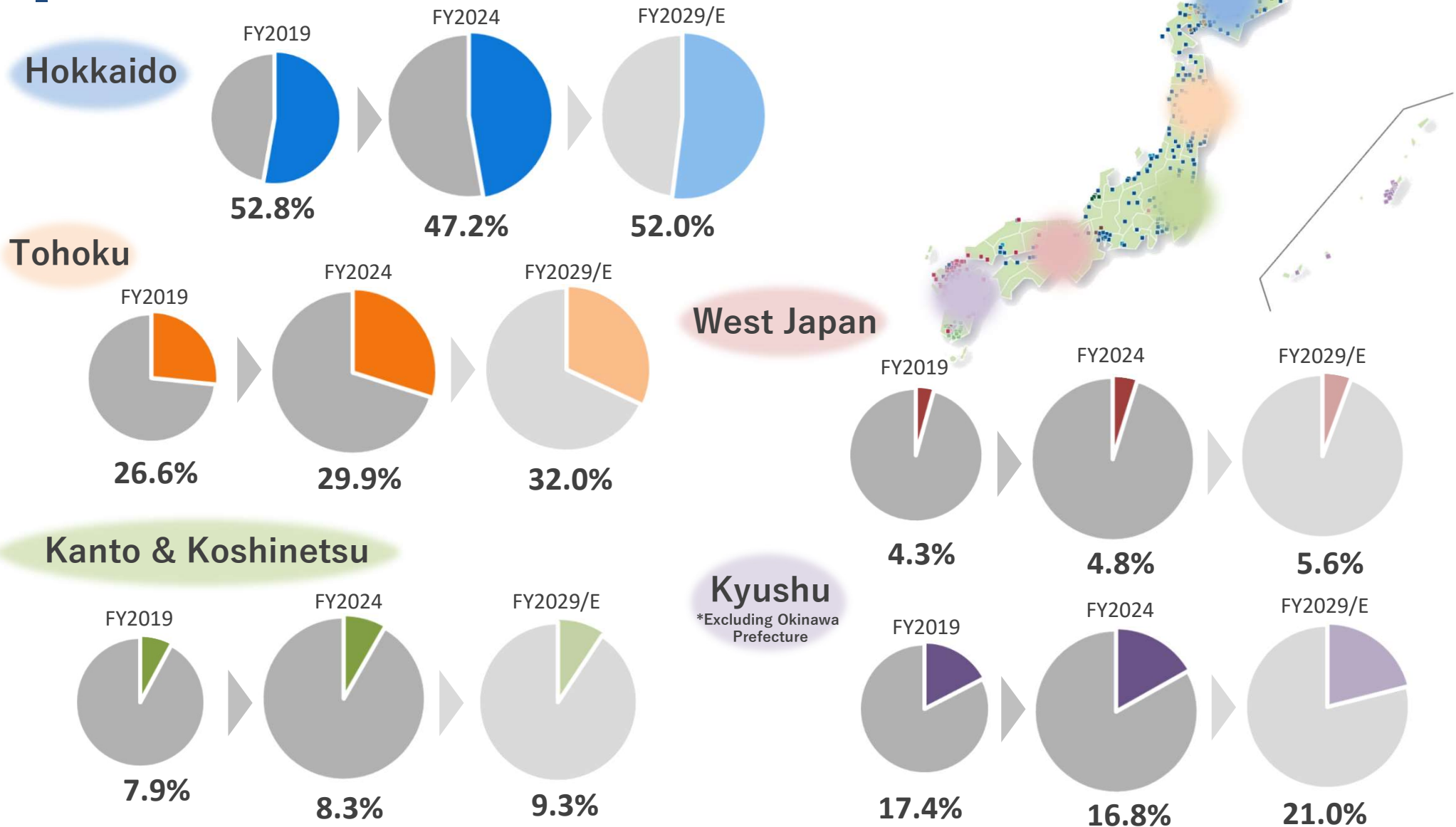
Power Transmission Networks





# 1. Growth Strategies and Improvement of Capital Efficiency

## Market share by region



Source: Calculated uniformly at 2.5% according to the volume base in the Ministry of Land, Infrastructure, Transport and Tourism Construction Statistics Guidebook.

Note: These figures fluctuate with retroactive revisions of the Construction Statistics Guidebook.



## 2. Enhancement of DX Strategies

Using data and digital technologies, we plan to reform our business model and put in place a data-driven management approach. By promoting DX, our aim to send our productivity skyrocketing.

### Utilization of BIM/CIM, ICT

- Higher productivity through data sharing between customers, builders, and rental companies using BIM/CIM.
- Expansion of ICT construction machinery and research into next-generation construction machinery (with remote/automated operations) to advance labor-savings and off-site operations



1

### Development of new products and new materials

- Minimal latency through more advanced video transmission systems
- Retrofits with remote operation controls and safety measures to streamline and standardize equipment
- Standardization of instruction manuals with video content

2

### Operation improvement → Business reform → Business transformation

- More efficient operations and diversified communication channels as a result of SaaS and digital content use
- New data-driven approach to management by constructing a data integration platform
- Generative AI and telematics research to take us into a new era of people, companies, and construction machinery

3

4

### Visualization and improved organizational structure of maintenance services

- Visualization of operations to reform processes and introduction of labor-saving equipment
- Stronger cooperation with supply chains
- Enhanced cross-group interaction and management aimed at passing on skills to improve engagement





## 3. Sustainability Initiatives

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### Basic Sustainability Policy

Everyone working in the Kanamoto Group will aim to build a foundation for sustainable growth, which is part of our Group Vision, and to contribute to the development of a sustainable society as a member and good corporate citizen of society.

**01** We will aim to help combat climate change and other global environmental issues by capitalizing on the unique sharing economic traits of a rental business.

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**02** We will aim to help improve labor conditions throughout society by respecting human rights and showing consideration toward employee health and work environment.

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**03** We will aim for sustainable and mutual prosperity by engaging in fair and proper business dealings with our partners.

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**04** We will aim to enhance disaster prevention and mitigation and the national resilience of Japan as well as improve crisis management of natural disasters and other calamities as core principles of Kanamoto's crisis management.

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# 3. Sustainability Initiatives

## Human rights policy

In recent years, companies' efforts to address human rights issues are becoming increasingly important, and for our group too, human rights issues are at the heart of our sustainability-focused management. That is why, in November 2024, we formulated the Kanamoto Group Human Rights Policy.

### 1. Respect for international norms

The Kanamoto Group supports and respects international human rights norms.

### 2. Strict adherence to laws and regulations

We will adhere to all laws and regulations that may be in force in the countries and regions where we conduct corporate activities. We will also adhere to the spirit of those laws and regulations and to international rules and social norms.

### 3. Respect for human rights

The Kanamoto Group aims to reduce human rights violations to zero in all of its corporate activities. Through the initiatives shown on the right, we will work to fulfill our responsibilities to human rights.

- (1) Human rights due diligence
- (2) Relief
- (3) Complaint processing mechanism (whistle-blowing system)
- (4) Education and training
- (5) Dialogue and consultation with stakeholders
- (6) Disclosure

1

## Enhancement of investment in human capital

### 1. Improved salary levels and engagement to enhance our employee retention rate

- Constant raises to salary levels and review of various allowances
- Dynamic job opportunities that focus on clarifying career paths, checking suitability, and self-assessment

### 2. Enhanced internal training to provide career development opportunities

- Improved internal training via stronger collaboration with business divisions and the DX Strategy Office  
→ Moving from upskilling to reskilling
- Establish permanent training facilities

### 3. Internal expertise sharing to enhance productivity

- Promotion of internal expertise sharing by utilizing e-learning platforms

2

To secure the skills we need to achieve our management strategies, we will aim to support the independent training of existing employees but also encourage their active participation, and secure diverse human resources.

## Promotion of TCFD and environmental measures

Specific measures to achieve our targets:

- ▶ Introduce hybrid and all-electric company vehicles to reduce fossil fuel use
- ▶ Switch equipment, etc., to make electricity-savings at our facilities to reduce our electricity consumption

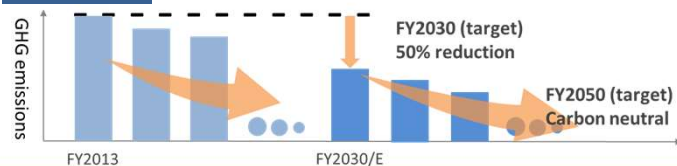


Kanamoto (non-consolidated)	FY2013 (actual)	FY2023 (actual)	FY2030 (target)
Scope 1	6,076	6,011	3,038
Scope 2	5,677	4,596	2,839

(t-co<sub>2</sub>)

### Scope 1, 2

\*For Scope 3, we will continue working to select categories and establish a system.



3

4

Kanamoto products and services will create new value that helps achieve the SDGs and contribute to the development of a sustainable society.

ESG

Value creation	Businesses contributing to SDGs	SDG Icons
Foundation supporting value creation	<b>E</b>	<ul style="list-style-type: none"> <li>● A business called "rental" that leads to decarbonization</li> <li>● Asset shift to environmental measures for decarbonization</li> <li>● Initiatives for TCFD</li> </ul>
	<b>S</b>	<ul style="list-style-type: none"> <li>● Comprehensive disclosure and IR activities</li> <li>● Contributions to local communities as well as art and culture</li> <li>● Stronger health and safety systems</li> <li>● Environment inspiring human resource development</li> </ul>
	<b>G</b>	<ul style="list-style-type: none"> <li>● Corporate governance</li> <li>● Compliance</li> <li>● Internal control systems</li> <li>● Risk management</li> </ul>

# Value Creation Process

Input: Management resources  
(Consolidated)

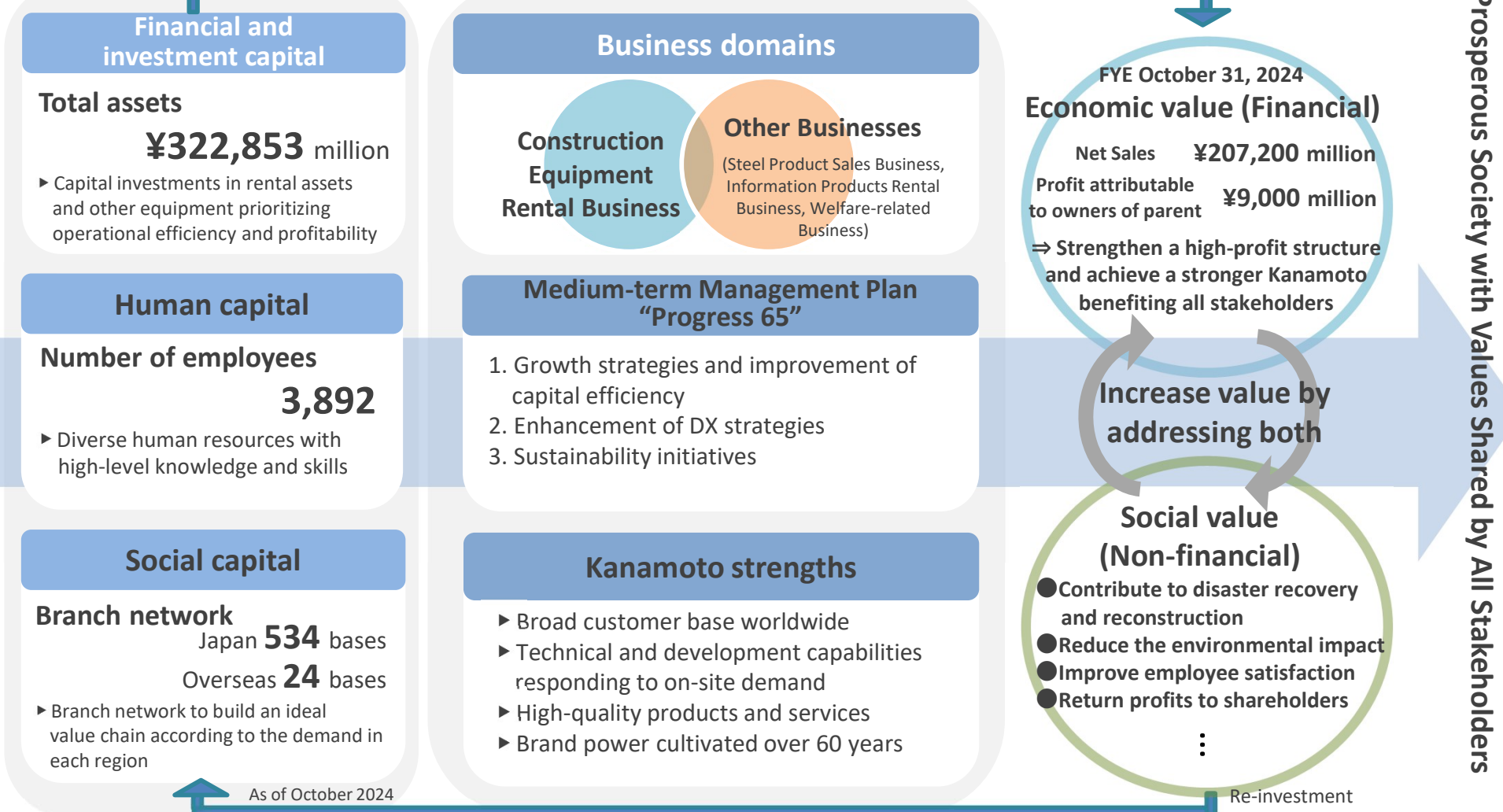
Output: Business activities

Outcome: Value created by Kanamoto

Injection of Sustainable Management Resources to Address Social Issues

Society and customer needs

To Become a Company Contributing to a Safe,  
Prosperous Society with Values Shared by All Stakeholders



Build infrastructure that supports business growth

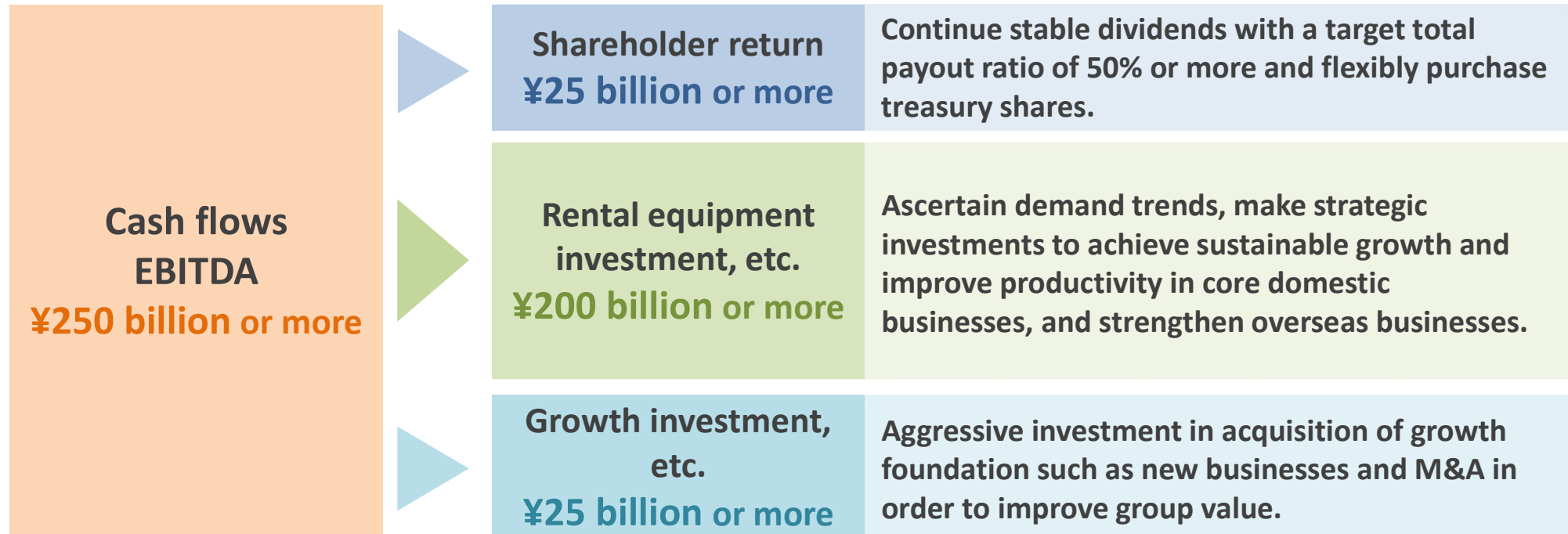
- Corporate governance
- Compliance
- Risk management
- Environmental management

Contributions Toward a Sustainable Society

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# Investment Strategy: Cash Allocation (Five-year cumulative)



(Millions of yen)

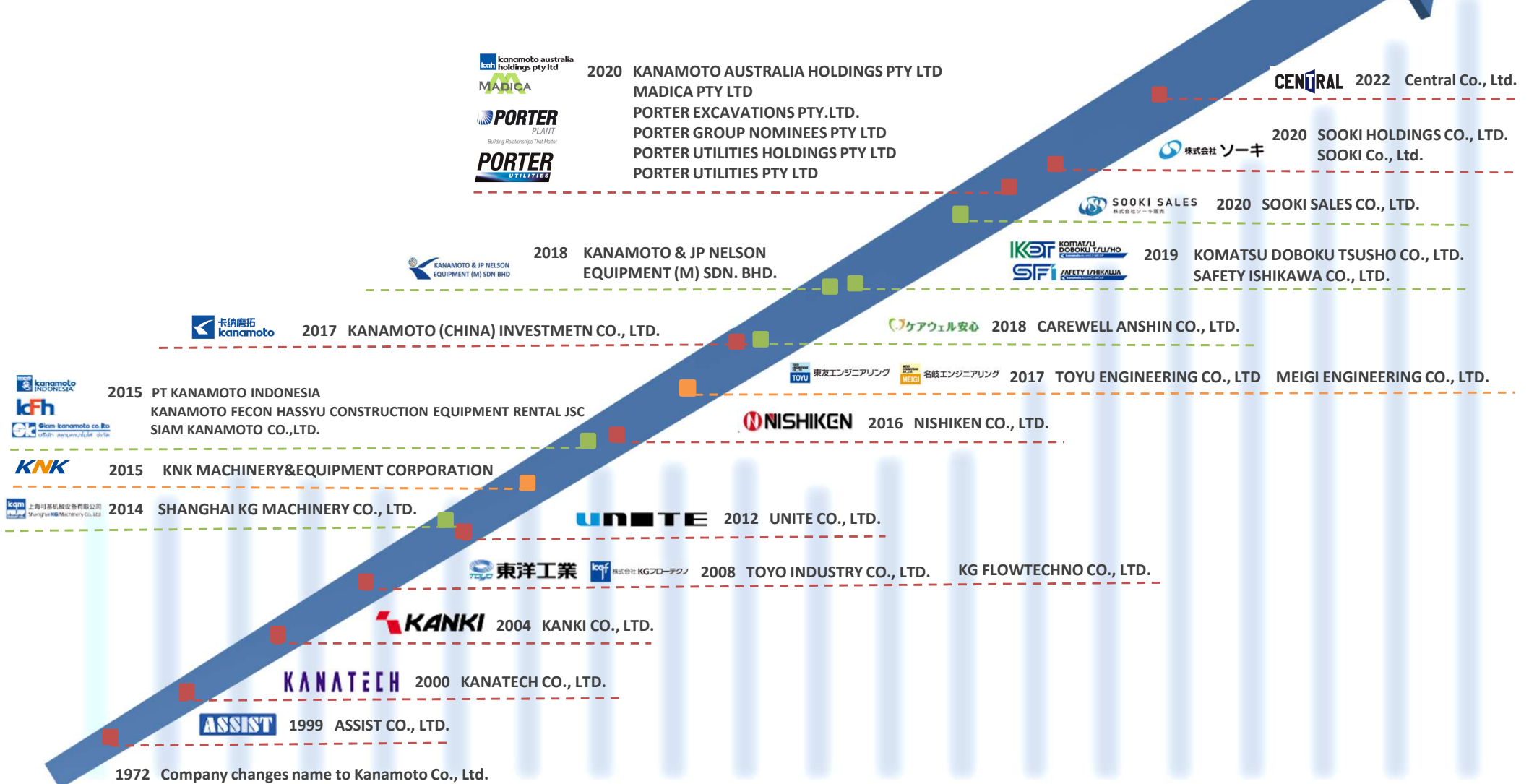
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025/E	FY2026/E	FY2027/E	FY2028/E	FY2029/E
Operating profit	17,842	14,250	14,624	13,229	11,958	14,569	15,100				21,000
Depreciation	27,705	29,073	31,712	32,528	34,891	36,275	35,400				36,300
<b>EBITDA</b>	<b>45,547</b>	<b>43,324</b>	<b>46,336</b>	<b>45,758</b>	<b>46,849</b>	<b>50,844</b>	<b>50,600</b>				<b>57,400</b>
Property, plant and equipment equivalents	10,775	10,461	10,694	10,483	11,044	10,869	11,800				13,400
<b>EBITDA<sup>+</sup></b>	<b>56,322</b>	<b>53,785</b>	<b>57,030</b>	<b>56,241</b>	<b>57,894</b>	<b>61,714</b>	<b>62,400</b>				<b>70,800</b>
Property, plant and equipment investment	52,093	51,567	37,266	42,786	52,161	48,535	47,700				47,500
Free cash flow	4,229	2,218	19,764	13,454	5,732	13,179	14,700				23,200

# History of M&As

Achieving growth through continuous M&As alongside expanding our own branch network

## History of M&As

■ Consolidated Subsidiary    
 ■ Non-consolidated Subsidiary    
 ■ Affiliate company



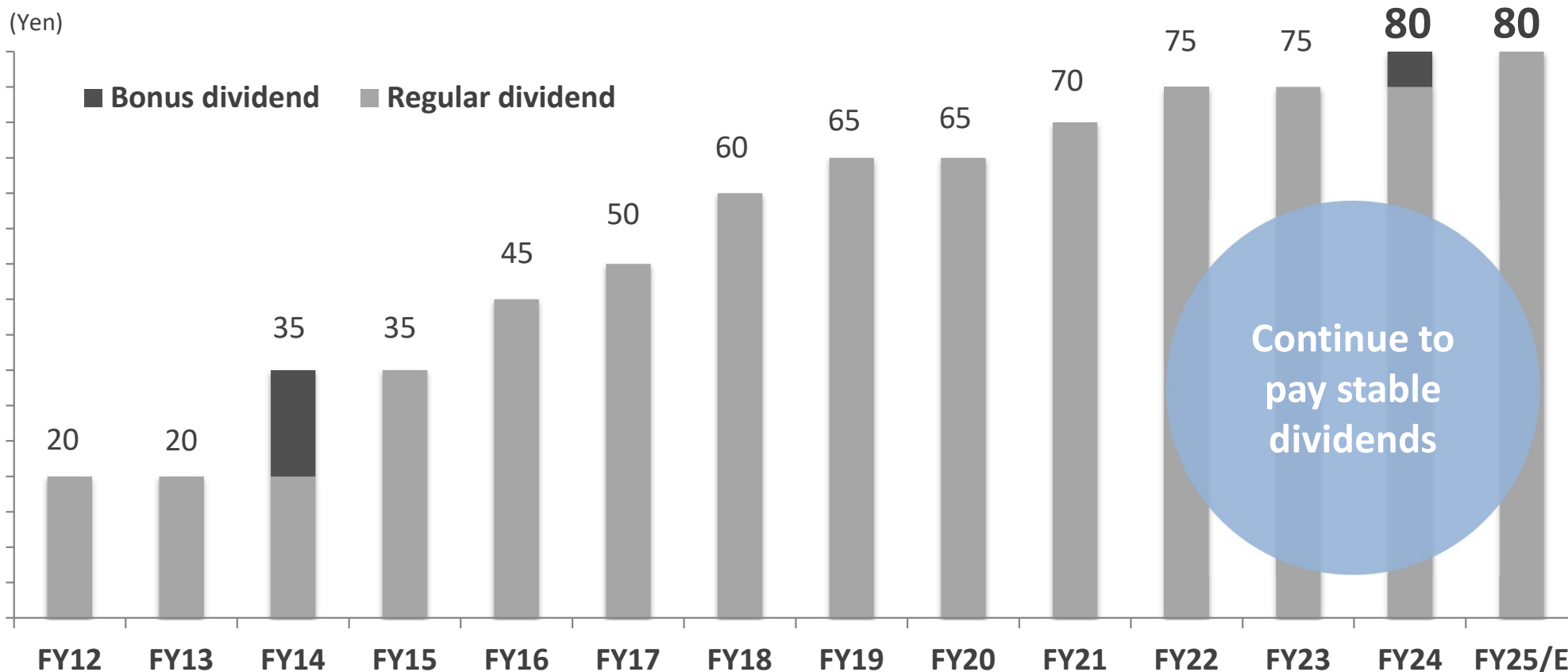
# Shareholder Return Policy

We aim for a total payout ratio of more than 50% and to this end we flexibly acquire treasury shares. By maintaining stable dividends at the same time as achieving sustainable profit growth, we aim for progressive dividends with rising payouts.

## Dividend Policy

As a special dividend to celebrate our 60<sup>th</sup> anniversary, for the fiscal year ended October 2024 we increased the year-end dividend by 5 yen for an annual dividend of 80 yen (interim dividend 35 yen)

Year-end dividend of 80 yen for the fiscal year ending October 31, 2025 (40 yen interim dividend)





### [Disclaimer]

Certain information other than historical facts set forth in this briefing and the briefing materials contain forward-looking information.

These forward-looking statements are determined based on currently available information and include elements which may differ substantially from original forecasts.

Therefore, we ask that you refrain from fully relying on these forecasts.

Please be aware actual performance, etc., may differ from these forecasts due to changes in a variety of circumstances.

## Contact

### **Kanamoto Public Relations Office**

1-19, Odori Higashi 3-chome, Chuo-ku, Sapporo, Hokkaido 060-0041 Japan

Tel: +81-11-209-1631 (8:30 a.m. to 5:00 p.m. except on weekends and holidays)

Company website: <https://www.kanamoto.co.jp/en/>

IR Information: <https://www.kanamoto.ne.jp/en/>

# Reference: Company Profile (As of October 31, 2024)

<b>Company Name</b>	<b>Listing Exchanges</b>
Kanamoto Co., Ltd.	Tokyo Stock Exchange, Prime Market Sapporo Securities Exchange
<b>Head Office</b>	<b>Stock Code</b>
1-19, Odori Higashi 3-chome, Chuo-ku, Sapporo, Hokkaido 060-0041 Japan	9678
<b>Business Coordination Headquarters</b>	<b>Number of Shares Issued</b>
1-7-7, Shiba Daimon, Minato-ku, Tokyo 105-0012 Japan	38,742 thousand
<b>Established</b>	<b>Consolidated Net Sales</b>
October 28, 1964	¥207,218 million (Fiscal year ended October 31, 2024)
<b>Capitalization</b>	<b>Number of Consolidated Employees</b>
¥17,829 million (Paid-in capital)	3,892 (As of October 31, 2024) (Excluding directors and temporary or part-time workers)



Head Office



Business Coordination  
Headquarters

## Principal Businesses

- Rental of construction equipment
- Sale of steel products
- Rental of engineering workstations and computer peripherals

# Reference: Our History

- October 1964*      **Kanamoto Shoten Co., Ltd. established (Reorganization in Muroran, Hokkaido)**
- December 1972*      **Company name changed to Kanamoto Co., Ltd.**
- November 1985*      **Completed online computer system network linking all branches**
- June 1991*      **Listed stock on the Sapporo Securities Exchange**
- March 1996*      **Listed stock on the Second Section of the Tokyo Stock Exchange**
- June 1996*      **Relocated head office functions to Sapporo, Chuo-ku**
- April 1998*      **Stock elevated to the First Section of the Tokyo Stock Exchange**
- October 2006*      **Established subsidiary in Shanghai, China and began expansion outside of Japan**
- June 2012*      **Converted Unite Co., Ltd. into a subsidiary (Tokyo)**
- January 2014*      **Changed stock trading unit size from 1,000 shares to 100 shares**
- January 2015*      **Expanded operations into Indonesia, Vietnam, Thailand, and the Philippines**
- March 2016*      **Converted Nishiken Co., Ltd. into a subsidiary (Fukuoka)**
- September 2020*      **Converted SOOKI HOLDINGS Co., Ltd. into a subsidiary (Osaka)**
- October 2020*      **Converted Porter Plant Group into a subsidiary (Australia)**
- April 2022*      **Transitioned to Tokyo Stock Exchange Prime Market**





# Reference: Branch Network/Alliance Group

Kanamoto Group has 558 bases

Kanamoto itself has 218 branches, and is developing operations in seven foreign countries

Breakdown (As of Oct. 31, 2024)

218 Branches: Kanamoto

340 Branches: Alliance companies



カナモトアライアンスグループ Kanamoto Alliance Group

<b>kanamoto</b>	株式会社カナモト Kanamoto Co., Ltd.
<b>ASSIST</b>	株式会社アシスト Assist Co., Ltd.
<b>KANATECH</b>	株式会社カナテック Kanatech Co., Ltd.
<b>KANKI</b>	株式会社カンキ Kanki Co., Ltd.
<b>kcf</b> 株式会社 KGフローテック	株式会社 KGフローテック/ KG Flowtechno Co., Ltd.
<b>CENTRAL</b>	株式会社 セントラル CENTRAL Co., Ltd.
<b>株式会社 ソーキ</b>	株式会社ソーク ホールディングス Sooki Holdings Co., Ltd.
<b>株式会社 ソーキ</b>	株式会社ソーク Sooki Co., Ltd.
<b>東洋工業</b>	東洋工業株式会社 Toyo Industry Co., Ltd.
<b>NISHIKEN</b>	株式会社ニシケン NISHIKEN CO., LTD.
<b>UNITE</b>	ユニテ株式会社 Unite Co., Ltd.
<b>kanamoto australia holdings pty ltd</b>	KANAMOTO AUSTRALIA HOLDINGS PTY LTD

<b>MADICA</b>	MADICA PTY LTD
<b>PORTER PLANT</b>	PORTER EXCAVATIONS PTY LTD.
<b>PORTER PLANT</b>	PORTER GROUP NOMINEES PTY LTD
<b>PORTER UTILITIES</b>	PORTER UTILITIES HOLDINGS PTY LTD
<b>PORTER UTILITIES</b>	PORTER UTILITIES PTY LTD
<b>卡納德拓 kanamoto</b>	卡納德拓(中国)投资有限公司 KANAMOTO (CHINA) INVESTMENT CO., LTD.
<b>ケアウェル安心</b>	ケアウェル安心株式会社 Carewell Anshin Co., Ltd.
<b>IKET KOMATSU DOBOKU TSUJ/HO</b>	株式会社小松土木通商 Komatsu Doboku Tsusyo Co., Ltd.
<b>SFI SAFETY &amp; IRIKAWA</b>	セフティー石川株式会社 Safety Ishikawa Co., Ltd.
<b>SOOKI SALES</b>	株式会社 ソーク販売 Sooki Sales Co., Ltd.
<b>kcm 上海可基机械设备有限公司</b>	上海可基机械设备有限公司 SHANGHAI KG MACHINERY CO., LTD.
<b>kfh</b>	KANAMOTO FECON HASSYU CONSTRUCTION EQUIPMENT RENTAL JSC

<b>KANAMOTO &amp; JP NELSON EQUIPMENT (M) SDN. BHD.</b>	KANAMOTO & JP NELSON EQUIPMENT (M) SDN.BHD.
<b>kanamoto INDONESIA</b>	PT KANAMOTO INDONESIA
<b>siam kanamoto co. ltd</b>	SIAM KANAMOTO CO., LTD.
<b>SK Administration Service (Thailand) Co., Ltd.</b>	SK ADMINISTRATION SERVICE (THAILAND) CO., LTD.
<b>東友エンジニアリング 株式会社 TOYU ENGINEERING CO., LTD.</b>	東友エンジニアリング 株式会社 TOYU ENGINEERING CO., LTD.
<b>名成エンジニアリング 株式会社 MEGI ENGINEERING CO., LTD.</b>	名成エンジニアリング 株式会社 MEGI ENGINEERING CO., LTD.
<b>KNK</b>	KNK MACHINERY & EQUIPMENT CORPORATION
<b>AGORAeX</b>	アゴラエクス株式会社 SIC Agora eX Corporation
<b>SUGA</b>	菅機械工業株式会社 SUGA KIKAI KOGYO CO., LTD.
<b>町田機工</b>	町田機工株式会社 Machida Kikou Co., Ltd.



# Reference: Overseas Network

2014	SHANGHAI KG MACHINERY CO., LTD.	Non-consolidated subsidiary
2015	PT KANAMOTO INDONESIA	Non-consolidated subsidiary
	KANAMOTO FECON HASSYU CONSTRUCTION EQUIPMENT RENTAL JSC	Non-consolidated subsidiary
	SIAM KANAMOTO CO., LTD.	Non-consolidated subsidiary
	KNK MACHINERY & EQUIPMENT CORPORATION	Associated company
2017	KANAMOTO (CHINA) INVESTMENT CO., LTD.	Consolidated subsidiary
2018	KANAMOTO & JP NELSON EQUIPMENT (M) SDN. BHD.	Non-consolidated subsidiary
2020	KANAMOTO AUSTRALIA HOLDINGS PTY LTD	Consolidated subsidiary
	MADICA PTY LTD	Consolidated subsidiary
	PORTER EXCAVATIONS PTY. LTD.	Consolidated subsidiary
	PORTER GROUP NOMINEES PTY LTD	Consolidated subsidiary
	PORTER UTILITIES HOLDINGS PTY LTD	Consolidated subsidiary
	PORTER UTILITIES PTY LTD	Consolidated subsidiary

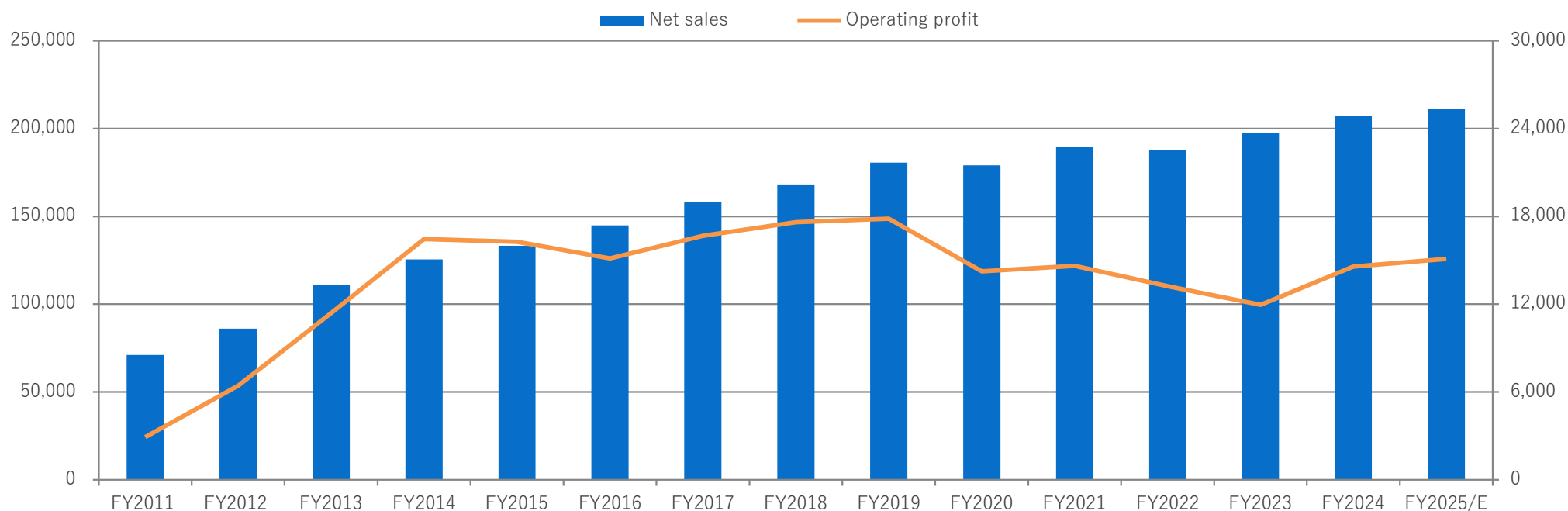




# Reference: 15-year Management Index (Consolidated)

(Millions of yen)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025/E
Net sales	71,086	86,106	110,831	125,555	133,292	144,870	158,428	168,188	180,694	179,053	189,416	188,028	197,481	207,218	211,100
Operating profit	2,905	6,430	11,392	16,454	16,270	15,134	16,665	17,599	17,842	14,250	14,624	13,229	11,958	14,569	15,100
Ordinary profit	2,239	5,932	11,073	16,078	16,164	14,405	17,193	17,925	18,277	14,268	15,391	13,780	12,488	15,218	15,300
Profit attributable to owners of parent	1,165	3,575	5,809	9,299	9,557	8,098	10,744	11,857	11,430	8,466	8,907	8,345	6,721	9,013	9,300
Net assets	37,592	41,399	56,192	65,513	71,998	81,434	91,788	102,031	121,779	126,188	134,917	140,611	143,677	149,713	-
Total assets	115,120	137,343	169,250	188,082	202,578	220,540	227,155	241,374	268,182	301,533	303,754	305,320	316,440	322,853	-



# Reference: Share Price (Jan. 2015 to Dec. 2024)



## 出来高

