



Six-Month Consolidated Financial Report for the Fiscal Year Ending October 31, 2025 (Japan GAAP)

June 6, 2025

Listed Company Name **Kanamoto Co., Ltd.**
Company Code Number **9678**
Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**
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Scheduled date for submission of Semi-annual Securities Report June 13, 2025
Scheduled date for commencement of dividend payments July 2, 2025
Preparation of Settlement Supplementary Explanatory Materials Yes
Earnings Briefings (For institutional investors and analysts) Yes

(Numbers less than one million yen have been rounded down)

1. Consolidated Operating Results for the Six -Month Period of the Fiscal Year Ending October 31, 2025

(November 1, 2024 – April 30, 2025)

(1) Consolidated Operating Results (Cumulative)		(Percentages show the change from the prior year)						
	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended April 30, 2025	105,163	4.5	8,541	38.0	8,521	32.0	5,171	42.7
Six months ended April 30, 2024	100,681	3.5	6,188	16.2	6,456	17.6	3,623	23.9

(Note) Comprehensive income (millions of yen)

Six months ended April 30, 2025	5,111	(0.0%)
Six months ended April 30, 2024	5,111	(65.0%)

	Earnings per Share	Earnings per Share on a Fully Diluted Basis
	Yen	Yen
Six months ended April 30, 2025	147.49	–
Six months ended April 30, 2024	101.50	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of April 30, 2025	314,339	151,286	44.9
As of October 31, 2024	322,853	149,713	43.4

(Reference) Equity (millions of yen)

As of April 30, 2025	141,179
As of October 31, 2024	140,008

2. Dividends

	Annual Dividends per Share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Full-year
Fiscal year ended October 31, 2024	Yen –	Yen 35.00	Yen –	Yen 45.00	Yen 80.00
Fiscal year ending October 31, 2025	–	45.00			
Fiscal year ending October 31, 2025 (projected)			–	45.00	90.00

(Note) Has the Company revised its most recently released dividend projection?: No

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

(November 1, 2024 – October 31, 2025)

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	212,500	2.5	17,100	17.4	17,300	13.7	10,500	16.5	300.49

(Note) Has the Company revised its most recently released projected consolidated operating results?: No

Notes

- (1) Significant changes in the scope of consolidation during the period under review: No
- (2) Application of special accounting method in the preparation of semi-annual consolidated financial statements: No
- (3) Changes in accounting principles, changes in accounting estimates and retrospective restatements
 - (a) Changes in accounting policy in conjunction with revision of accounting standards: Yes
 - (b) Changes other than the above: No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatements: No

Note: For details, please refer to “(4) Notes Concerning Semi-annual Consolidated Financial Statements (Notes on Changes in Accounting Policies)” in “2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto” on page 13 of the attached document.

- (4) Number of shares issued (common shares)
 - (a) Number of shares issued at the end of the period (including treasury shares)

As of April 30, 2025:	38,742,241 shares
As of October 31, 2024:	38,742,241 shares
 - (b) Number of treasury shares at the end of the period

As of April 30, 2025:	3,914,970 shares
As of October 31, 2024:	3,300,670 shares
 - (c) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended April 30, 2025:	35,061,644 shares
Six months ended April 30, 2024:	35,696,449 shares

Note: Semi-annual financial results reports are not required to be reviewed by certified public accountants or an audit corporation.

Note: Explanation concerning appropriate use of the projected operating results and other items to note (Note concerning forward-looking statements)

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee the achievement of the projections. Actual operating results may differ substantially due to a number of factors. Please refer to “1. Qualitative Information Concerning Semi-annual Consolidated Operating Results (3) Explanation Concerning Future Forecasts Including Projected Consolidated Operating Results” on page 6 of the Attachments for the conditions used as assumptions for the projected operating results and matters to note before using the projected operating results.

(Methods of obtaining the supplementary materials and the content of the earnings briefings)

The Company plans to hold an online meeting for institutional investors and analysts on Monday, June 9, 2025.

Following the meeting, the Company will upload a video of the meeting on the Company’s website as quickly as possible, together with the Earnings Briefings materials used that day.

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1. Qualitative Information Concerning Semi-annual Consolidated Operating Results

(1) Qualitative Information Concerning Consolidated Operating Results

During the six-month period under review, Japan's economy showed positive economic trends with gradual improvement in the employment and income environment, but the economic outlook remained uncertain due to concerns about prolonged geopolitical risks, the slowdown of the Chinese economy, and the impact of the U.S. tariff hikes.

In the construction industry in which the Group is involved, public sector investment remained firm, partly due to the effects of supplementary budgets, and private sector construction investment showed signs of recovery against the backdrop of firm corporate earnings and other factors. However, the environment surrounding the industry is becoming increasingly severe, as prices of construction materials remain high and the shortage of skilled construction workers worsens.

In such circumstances, in order to achieve the goals of the Medium-Term Management Plan "Progress 65," the Group is striving to expand its sustainable earnings base by strengthening profitability through the effective use of management resources as well as by promoting a thorough asset management system and upgrading of execution management capabilities to maintain and improve appropriate rental unit prices.

In addition, we have raised salary levels from the second quarter in order to recruit and retain human resources and to improve employee engagement.

For the six-month period under review, the Group reported net sales of ¥105,163 million, an increase of 4.5% year on year. On the earnings front, operating profit was ¥8,541 million, an increase of 38.0% year on year, ordinary profit was ¥8,521 million, an increase of 32.0% year on year, and profit attributable to owners of parent was ¥5,171 million, an increase of 42.7% year on year.

Operating results for each of the Company's business segments were as follows.

< Business related to the Construction Equipment Rental Division >

In the business related to the Construction Equipment Rental Division, which is Kanamoto's core business, rental demand for construction equipment remained generally firm, although there were variations by region while domestic construction investment remained steady.

In addition, the Group aims to achieve sustainable business growth by focusing on the use of digital technology and human resource development, while strengthening its sales structure based on area strategies and improving management efficiency.

Used construction equipment sales increased 6.7% year on year, as Kanamoto proceeded with sales in accordance with the initial plan in order to maintain an appropriate asset mix while continuing the extension of the rental equipment operation period.

Reflecting these factors, the Group posted net sales in the business related to the Construction Equipment Rental Division of ¥93,903 million, an increase of 3.4% year on year, and operating profit of ¥7,814 million, an increase of 43.4% year on year.

< Other businesses >

Net sales was ¥11,259 million, an increase of 14.1% year on year, and operating profit was ¥447 million, a decrease of 5.6% year on year, as the Steel Product Sales Business, the Information Products Rental Business and the Welfare-related Business performed firmly.

(2) Qualitative Information Concerning Consolidated Financial Position

(i) Assets, liabilities, and net assets

(Assets)

Total assets at the end of the six-month period under review stood at ¥314,339 million, a decrease of ¥8,514 million compared with the end of the prior fiscal year. This was primarily due to decreases of ¥8,184 million in notes and accounts receivable - trade, and contract assets, ¥2,424 million in electronically

recorded monetary claims - operating, and ¥4,022 million in rental equipment, while cash and deposits increased by ¥5,630 million.

(Liabilities)

Total liabilities stood at ¥163,052 million, a decrease of ¥10,087 million compared with the end of the prior fiscal year. This was primarily due to decreases of ¥12,235 million in notes and accounts payable - trade and ¥3,063 million in long-term accounts payable - other, while electronically recorded obligations - operating increased by ¥7,493 million.

(Net assets)

Total net assets stood at ¥151,286 million, an increase of ¥1,573 million compared with the end of the prior fiscal year. This mainly reflects the posting of profit attributable to owners of parent of ¥5,171 million. Meanwhile, there were decreases of ¥1,940 million due to purchase of treasury shares and ¥1,594 million due to dividends of surplus.

As a result, equity ratio was 44.9% compared with 43.4% at the end of the prior fiscal year.

(ii) Cash flows

Cash and cash equivalents ("cash") at the end of the six-month period under review increased by ¥5,630 million compared with the end of the prior fiscal year to ¥56,217 million. Cash flows for the six-month period under review are discussed below.

(Net cash provided by (used in) operating activities)

Cash provided by operating activities stood at ¥26,894 million, an increase of 13.0% from the same period of the prior fiscal year. This was primarily attributable to the following: profit before income taxes of ¥8,405 million, depreciation of ¥17,225 million, and decrease (increase) in accounts receivable - trade, and contract assets of ¥10,545 million, as well as purchase of rental equipment of ¥2,055 million, increase (decrease) in trade payables of ¥5,088 million, and income taxes paid of ¥3,207 million.

(Net cash provided by (used in) investing activities)

Cash used in investing activities was ¥3,287 million, compared with ¥1,032 million used in the same period of the prior fiscal year. This mainly reflected the posting of ¥2,483 million for purchase of property, plant and equipment.

(Net cash provided by (used in) financing activities)

Cash used in financing activities was ¥17,921 million, compared with ¥17,655 million used in the same period of the prior fiscal year. This mainly reflected proceeds from long-term borrowings of ¥7,700 million, repayments of installment payables of ¥12,098 million, repayments of long-term borrowings of ¥8,820 million, purchase of treasury shares of ¥1,999 million, and dividends paid of ¥1,594 million.

(3) Explanation Concerning Future Forecasts Including Projected Consolidated Operating Results

For details, please refer to the "Notification Concerning Revision of Projected Full-Year Operating Results for the Fiscal Year Ending October 31, 2025" announced on June 2, 2025.

2.Semi-annual Consolidated Financial Statements and Significant Notes Thereto

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	51,104	56,735
Notes and accounts receivable - trade, and contract assets	43,478	35,293
Electronically recorded monetary claims - operating	10,562	8,138
Merchandise and finished goods	1,634	2,221
Raw materials and supplies	1,631	1,739
Construction machine parts	15,095	13,822
Other	3,373	3,348
Allowance for doubtful accounts	-204	-192
Total current assets	126,675	121,106
Non-current assets		
Property, plant and equipment		
Rental equipment	322,689	325,417
Accumulated depreciation	-211,172	-217,922
Rental equipment, net	111,516	107,494
Buildings and structures	49,597	50,109
Accumulated depreciation	-29,018	-29,549
Buildings and structures, net	20,579	20,559
Machinery, equipment and vehicles	10,876	11,748
Accumulated depreciation	-9,143	-9,597
Machinery, equipment and vehicles, net	1,733	2,151
Land	39,608	40,147
Other	4,268	4,329
Accumulated depreciation	-2,636	-2,732
Other, net	1,632	1,596
Total property, plant and equipment	175,070	171,949
Intangible assets		
Goodwill	2,558	2,180
Customer relationship	1,181	1,077
Other	1,093	1,075
Total intangible assets	4,833	4,333
Investments and other assets		
Investment securities	11,450	11,722
Deferred tax assets	1,449	1,655
Long-term loans receivable	1,049	1,307
Other	2,699	2,602
Allowance for doubtful accounts	-376	-338
Total investments and other assets	16,272	16,949
Total non-current assets	196,177	193,232
Total assets	322,853	314,339

(Millions of yen)

	As of October 31, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,754	13,519
Electronically recorded obligations - operating	7,973	15,467
Short-term borrowings	720	530
Current portion of long-term borrowings	21,331	21,209
Lease liabilities	1,706	1,774
Income taxes payable	3,517	3,199
Provision for bonuses	1,703	1,817
Accounts payable - other	25,235	23,824
Other	4,875	4,472
Total current liabilities	92,817	85,814
Non-current liabilities		
Long-term borrowings	32,402	32,426
Lease liabilities	3,708	3,613
Long-term accounts payable - other	41,088	38,024
Retirement benefit liability	352	347
Asset retirement obligations	722	725
Deferred tax liabilities	1,894	1,954
Other	153	147
Total non-current liabilities	80,322	77,238
Total liabilities	173,140	163,052
Net assets		
Shareholders' equity		
Share capital	17,829	17,829
Capital surplus	19,546	19,563
Retained earnings	104,177	107,753
Treasury shares	-7,670	-9,610
Total shareholders' equity	133,883	135,536
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,586	3,467
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	2,576	2,209
Remeasurements of defined benefit plans	-37	-33
Total accumulated other comprehensive income	6,125	5,643
Non-controlling interests	9,705	10,107
Total net assets	149,713	151,286
Total liabilities and net assets	322,853	314,339

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

**(Semi-annual Consolidated Statements of Income)
(Consolidated Six-Month Period Ended April 30)**

(Millions of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Net sales	100,681	105,163
Cost of sales	71,957	73,294
Gross profit	28,724	31,869
Selling, general and administrative expenses	22,535	23,327
Operating profit	6,188	8,541
Non-operating income		
Interest income	44	88
Dividend income	94	124
Insurance fee income	29	45
Rental income	37	37
Foreign exchange gains	62	-
Other	241	225
Total non-operating income	509	521
Non-operating expenses		
Interest expenses	74	120
Foreign exchange losses	-	223
Loss on cancellation of leases	22	11
Other	145	185
Total non-operating expenses	242	540
Ordinary profit	6,456	8,521
Extraordinary income		
Gain on sale of non-current assets	18	10
Gain on sale of shares of subsidiaries and associates	1	-
Total extraordinary income	20	10
Extraordinary losses		
Loss on sale and retirement of non-current assets	81	99
Loss on liquidation of subsidiaries and associates	-	27
Total extraordinary losses	81	126
Profit before income taxes	6,395	8,405
Income taxes - current	2,237	2,883
Income taxes - deferred	112	-68
Total income taxes	2,350	2,815
Profit	4,044	5,590
Profit attributable to non-controlling interests	421	419
Profit attributable to owners of parent	3,623	5,171

(Semi-annual Consolidated Statements of Comprehensive Income)
(Consolidated Six-Month Period Ended April 30)

(Millions of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Profit	4,044	5,590
Other comprehensive income		
Valuation difference on available-for-sale securities	802	-116
Deferred gains or losses on hedges	0	-0
Foreign currency translation adjustment	260	-367
Remeasurements of defined benefit plans, net of tax	3	5
Total other comprehensive income	1,066	-478
Comprehensive income	5,111	5,111
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,680	4,689
Comprehensive income attributable to non-controlling interests	430	422

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Cash flows from operating activities		
Profit before income taxes	6,395	8,405
Depreciation	17,768	17,225
Amortization of goodwill	321	322
Loss (gain) on sale and retirement of non-current assets	63	89
Cost transfer resulting from sale of rental equipment	865	549
Purchase of construction equipment and materials	-1,585	-119
Purchase of rental equipment	-2,790	-2,055
Loss (gain) on sale of shares of subsidiaries and associates	-1	-
Increase (decrease) in allowance for doubtful accounts	-121	-48
Increase (decrease) in provision for bonuses	24	113
Increase (decrease) in retirement benefit liability	-11	2
Loss on liquidation of subsidiaries and associates	-	27
Interest and dividend income	-138	-213
Assets buy on the installment plan purchase payment interest for rentals	333	473
Interest expenses	74	120
Foreign exchange losses (gains)	-65	213
Decrease (increase) in accounts receivable - trade, and contract assets	7,051	10,545
Decrease (increase) in inventories	-833	-677
Increase (decrease) in trade payables	-2,735	-5,088
Increase (decrease) in accounts payable - other	617	442
Other, net	1,266	198
Subtotal	26,498	30,527
Interest and dividends received	107	175
Interest paid	-412	-600
Income taxes paid	-2,384	-3,207
Net cash provided by (used in) operating activities	23,810	26,894
Cash flows from investing activities		
Payments into time deposits	-239	-1,606
Proceeds from withdrawal of time deposits	239	1,606
Purchase of property, plant and equipment	-1,120	-2,483
Proceeds from sale of property, plant and equipment	36	12
Purchase of intangible assets	-92	-116
Purchase of shares of subsidiaries	-0	-473
Purchase of investment securities	-4	-3
Proceeds from sale of investment securities	-	100
Proceeds from sale of shares of subsidiaries and associates	37	-
Loan advances	-0	-368
Proceeds from collection of loans receivable	198	38
Other, net	-88	7
Net cash provided by (used in) investing activities	-1,032	-3,287

(Millions of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-50	-190
Proceeds from long-term borrowings	7,500	7,700
Repayments of long-term borrowings	-8,029	-8,820
Repayments of installment payables	-12,905	-12,098
Repayments of lease liabilities	-706	-897
Purchase of treasury shares	-2,000	-1,999
Dividends paid	-1,441	-1,594
Dividends paid to non-controlling interests	-21	-20
Net cash provided by (used in) financing activities	-17,655	-17,921
Effect of exchange rate change on cash and cash equivalents	50	-55
Net increase (decrease) in cash and cash equivalents	5,172	5,630
Cash and cash equivalents at beginning of period	45,093	50,586
Cash and cash equivalents at end of period	50,266	56,217

(4) Notes Concerning Semi-annual Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of the "Accounting Standard for Current Income Taxes," Etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the six-month period of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This has no impact on the semi-annual consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the six-month period of the fiscal year under review. This change in accounting policies has been applied retrospectively, and is reflected in the semi-annual consolidated financial statements for the same period of the prior fiscal year and the consolidated financial statements for the prior fiscal year. This has no impact on the semi-annual consolidated financial statements for the same period of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

(Notes on Segment Information, Etc.)

I Six-month period ended April 30, 2024 (From November 1, 2023 to April 30, 2024)

1. Information concerning the amount of net sales and income or loss by reporting segment, and information on disaggregation of revenue

(Millions of yen)			
	Reporting segment	Other businesses (Note)	Total
	Business related to the Construction Equipment Rental Division		
Net sales			
Rental contracts	64,217	3,993	68,211
Sales of merchandise and finished goods	19,491	5,597	25,088
Other	7,062	275	7,338
Revenue from contracts with customers	90,771	9,866	100,638
Other revenues	43	–	43
Net sales to outside customers	90,815	9,866	100,681
Net sales or transfers between related segments	–	–	–
Total	90,815	9,866	100,681
Segment income	5,450	473	5,924

(Note) The "Other businesses" classification encompasses business segments not included in the reporting segment, and includes the Steel Product Sales Business, the Information Products Rental Business, the Welfare-related Business and other businesses.

2. Difference between total reporting segment income or loss and the amount reported on the Semi-annual Consolidated Statement of Income, and the main reasons for the difference (Matters Pertaining to Reconciliation of Difference)

(Millions of yen)	
Income	Amount
Reporting segment total	5,450
Income for "Other businesses" classification	473
Other adjustments	264
Operating profit reported on the Semi-annual Consolidated Statement of Income	6,188

II Six-month period ended April 30, 2025 (From November 1, 2024 to April 30, 2025)

1. Information concerning the amount of net sales and income or loss by reporting segment, and information on disaggregation of revenue

(Millions of yen)

	Reporting segment	Other businesses (Note)	Total
	Business related to the Construction Equipment Rental Division		
Net sales			
Rental contracts	67,292	4,222	71,514
Sales of merchandise and finished goods	19,206	6,612	25,819
Other	7,369	424	7,794
Revenue from contracts with customers	93,869	11,259	105,128
Other revenues	34	–	34
Net sales to outside customers	93,903	11,259	105,163
Net sales or transfers between related segments	–	–	–
Total	93,903	11,259	105,163
Segment income	7,814	447	8,261

(Note) The “Other businesses” classification encompasses business segments not included in the reporting segment, and includes the Steel Product Sales Business, the Information Products Rental Business, the Welfare-related Business and other businesses.

2. Difference between total reporting segment income or loss and the amount reported on the Semi-annual Consolidated Statement of Income, and the main reasons for the difference (Matters Pertaining to Reconciliation of Difference)

(Millions of yen)

Income	Amount
Reporting segment total	7,814
Income for “Other businesses” classification	447
Other adjustments	279
Operating profit reported on the Semi-annual Consolidated Statement of Income	8,541

(Note on Significant Changes to Shareholders’ Equity)

The Company repurchased 637,300 shares of treasury shares in accordance with the resolution of the meeting of the Board of Directors held on December 6, 2024. As a result, treasury shares increased by ¥1,999 million during the six-month period ended April 30, 2025, resulting in ¥9,610 million as of April 30, 2025.

(Notes Relating to the Going Concern Assumption)

The Company had no material items to report.