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INTEGRATED REPORT

INTEGRATED REPORT 2026

kanamoto co., ltd. 2026

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Mission Statement

Kanamoto has not only fostered growth together with the Japanese economy but also done everything in its power to build infrastructure and aid in countless disaster recovery efforts. We consider it our mission to capitalize on our experience in an effort to support reconstruction in the wake of natural disasters, such as the Great East Japan Earthquake.

Much of the infrastructure in Japan is also in dire need of repair or replacement. Our Group will always work together to ensure the safety and security of Japan.

We are also committed to sustainable growth. We will continue to expand our domestic business platform and promote overseas development in the pursuit of reaching our full potential.

Evolution into a Stronger Kanamoto Group

We will focus on improving capital efficiency as we achieve steady growth while securing our revenue base.

We will also actively address issues related to the realization of a sustainable society, making steady progress toward becoming a true general construction equipment rental company.

Action Guidelines

Our steadfast action guidelines — the Kanamoto Corporate Philosophy — chart our course for the next 50 to 100 years.

1 Pursue innovation and mobilize every resource to energize our company

2 Always remember Kanamoto competes for profits

3 Maintain a self-directed and independent mind

Group Corporate Philosophy

Become an excellent, dynamic corporate group that uses its solid earnings as a base to reward customers, employees, and shareholders.

Group Vision

Build a foundation for sustainable growth.

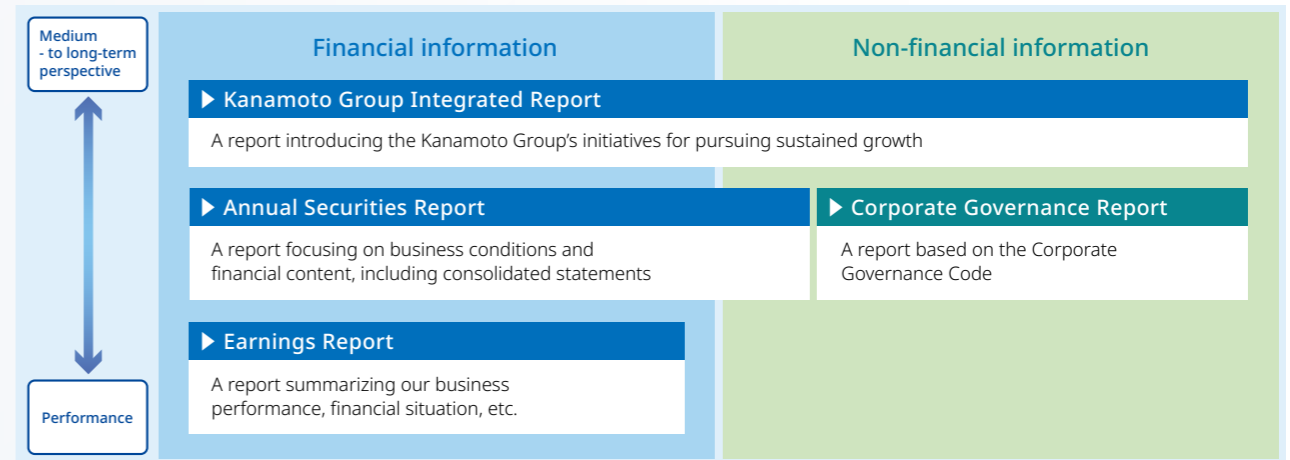
Group Value

- Become a true general construction equipment rental company
- Act as a large-scale rental mall that functions as a centralized site for specialty stores
- Accumulate and share all types of solutions

About the Kanamoto Group Integrated Report

Purpose

The Kanamoto Group Integrated Report's purpose is to inform stakeholders of the progress we are making with our sustainability-focused management and growth strategies.



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Editorial Policy

The Kanamoto Group Integrated Report emphasizes operating performance, business summaries and other financial data as well as non-financial data such as Environmental, Social, and Governance (ESG) initiatives that act as a foundation supporting growth. We hope to offer all shareholders, investors and other stakeholders a multifaceted view of sustainable growth at the Kanamoto Group. Our editorial team publishes this report with reference to the International Integrated Reporting Framework advocated by the International Integrated Reporting Council (IIRC; current IFRS Foundation).

Forward-Looking Statements

Certain information other than historical facts set forth in this report contains forward-looking information based on currently available information as part of the plans, strategies and other activities of the Kanamoto Group. The forward-looking statements included herein may differ substantially from actual management and operating performance due to various known and unknown risks and uncertainties.

- The consolidated financial statements in this report comply with the current accounting standards of Japan.
- Figures less than one million yen are rounded down in this report.

Message from the President

*Evolving the Value
We Deliver to Our Customers
and Aiming to Become a
True General Construction
Equipment Rental Company*

Tetsuo Kanamoto

President and CEO
Kanamoto Co., Ltd.

Kanamoto Group Aims

Advancing the Construction Equipment Rental Business

Kanamoto entered the construction equipment rental business at a time when the concept of “rental” had not yet become widely established at construction sites. Recognizing the model’s economic rationality, we entered this field early on. The construction equipment rental business anticipated what is now commonly known as the sharing economy. It not only reduces the burden of capital investment for our customers and helps optimize costs, but also promotes the effective use of resources across society.

As the social environment has evolved, the expectations of customers and society have become increasingly diverse and sophisticated. In response, we have addressed these expectations with sincerity by promoting the introduction and use of construction machinery that reduces environmental impact, as well as equipment that supports labor-saving and workforce efficiency. Through these efforts, we have advanced our business model. Our business has evolved beyond simply providing equipment and now contributes to addressing broader social challenges.

Alongside the development of the construction equipment rental market, the Kanamoto Group has continued to pursue transformation and challenge. As a result, we have grown into a corporate group with an increasingly strong presence in the domestic market. Building on the philosophy and expertise we have cultivated over many years, we will continue to take on new challenges in pursuit of a sustainable society.

A Strong Sales Foundation and Stable Profitability

One of the key factors supporting the growth of the Kanamoto Group has been the human resources who possess advanced technical expertise. Rather than adopting an area-based center system, we place dedicated maintenance staff at each sales location’s workshops. This structure enables thorough daily maintenance of equipment. Through this approach, the skills and know-how of our technical staff are steadily accumulated and passed on to the next generation. Rigorous maintenance management enables us to provide high-quality equipment consistently and forms the foundation of our rental business. In addition, our high maintenance standards not only extend the service life of rental assets but also increase their value when sold as used equipment. Because our construction machinery is highly regarded in overseas used equipment markets, this also supports stable revenue generation at resale.

[P.16 Reliable Maintenance Systems](#)

Aiming to Become a Large-Scale Rental Platform Providing Everything Needed at Construction Sites

Construction investment in Japan is expected to remain solid over the medium to long term. In addition to public-sector demand, such as disaster prevention and mitigation, national resilience initiatives, infrastructure renewal, and defense-related projects, private-sector demand—including urban redevelopment, data center construction, and carbon-neutrality-related investment—is also expected to continue. As a result, stable expansion in demand for construction equipment rentals is anticipated.

Overseas, as well, there are many regions where construction demand is strong, but the rental business has not yet become fully established. In particular, markets in China and Southeast Asia are expected to offer significant growth potential.

Under these conditions, the Kanamoto Group needs to continue to respond accurately to the increasingly diverse and sophisticated needs of our customers to achieve sustainable growth. We will leverage the Kanamoto Group’s technical capabilities to help customers address challenges such as safety measures, decarbonization, and labor shortages. At the same time, we will strengthen systems that reflect feedback from construction sites in our technological development. By promoting joint research that transcends industry boundaries, we will also pursue the development of new construction methods and systems that go beyond construction machinery and equipment.

Our long-term goal is to build a large-scale rental platform capable of providing all the solutions and content required at construction sites through a one-stop service. Currently, the Kanamoto Group operates through an alliance of 35 companies with 557 locations both in Japan and overseas, and we hold approximately 5,000 models of equipment totaling 1.8 million rental items. Going forward, we will continue to strengthen our network of locations and expand our product lineup, while aiming to become a true general construction equipment rental company ranked among the world’s top five.

Performance Review and Outlook for the Next Fiscal Year

Achieving Record Net Sales and Double-Digit Operating Profit Growth for Two Consecutive Years

In the fiscal year ended October 31, 2025 (the 61st fiscal year), both net sales and operating profit increased year on year. Net sales reached a record high, while operating profit grew double digits for the second consecutive year. We believe this performance reflects not only a stable demand environment but also the ongoing results of our efforts to manage rental asset costs, optimize rental pricing, and utilize management resources more efficiently.

This fiscal year marked the first year of our Medium-Term Management Plan, “Progress 65.” While we have made a certain degree of progress toward the key targets set for the final year—¥235.4 billion in net sales, ¥21.0 billion in operating profit, an operating margin of 8.9%, and ROE of 8.2%—we recognize that steady and sustained efforts will continue to be necessary. Going forward, we will further improve profitability through appropriate rental pricing while continuing to expand our market share, striving to achieve both growth and efficiency.

[P.54 Report of Operating Results and Financial Position for the 61st Fiscal Year](#)

Further Strengthening the Tokyo Metropolitan Area in Anticipation of Changing Regional Demand

For the fiscal year ending October 31, 2026 (the 62nd fiscal year), we aim to achieve continued growth, targeting a 3.6% increase in net sales and a 7.7% increase in operating profit. We will work steadily to accumulate results that support sustainable growth. By region, Hokkaido, western Japan, and Kyushu have shown solid performance. In Hokkaido and Kyushu, stable demand for rental equipment is expected to continue. In western Japan, progress in restoration and reconstruction work related to the Noto Peninsula earthquake is also anticipated.

At the same time, we believe that strengthening our foundation in the Tokyo metropolitan area, where latent demand is particularly large, will be essential for achieving sustainable growth. Although competition in this region is intense, we will further strengthen our organizational structure and competitiveness to build a stable growth base.

[P.55 Forecast for the 62nd Fiscal Year](#)



Medium-Term Management Plan “Progress 65”

Pursuing Business Growth and Efficiency to Improve Profitability and Enhance Corporate Value

While construction demand is expected to remain solid, the cost environment surrounding our business is undergoing structural change, including persistently high material and energy prices and rising labor costs. The prices of major construction equipment have also increased significantly over the past several years, requiring an even more rigorous approach to capital investment decisions.

Under such circumstances, management must focus not simply on expanding scale but on thoroughly improving asset efficiency and cost management. We believe that consistently enhancing capital productivity across procurement, ownership, and operation while improving the quality of earnings will directly contribute to achieving our profit targets.

Based on this recognition, our Medium-Term Management Plan “Progress 65” identifies three priority initiatives: (1) Growth strategies and improvement of capital efficiency, (2) Enhancement of DX strategies, and (3) Sustainability initiatives. While steadily executing growth investments, we will also reinforce management practices that emphasize capital costs, enabling us to achieve both business growth and operational efficiency. Through these efforts, we aim to build a strong management foundation that is resilient to changes in the business environment, thereby improving profitability and achieving the sustained expansion of corporate value.

[P.22 Medium-Term Management Plan “Progress 65”](#)

Improving the Efficiency and Productivity of Rental Assets

Under the first priority initiative, “Growth strategies and improvement of capital efficiency,” we will enhance the efficiency and productivity of our rental assets. Specialized departments will analyze the volume, composition, and placement of owned assets, enabling us to make equipment investments and allocations that accurately reflect market demand and improve utilization rates.

At the same time, we will continue our efforts to extend asset lifetimes to reduce depreciation costs and further optimize rental pricing, thereby enhancing the productivity of our rental assets.

Advancing the Sales Process

To achieve both growth and efficiency, the Kanamoto Group is focusing on advancing the sales process. We are establishing systems that allow sales data to be shared and utilized across the organization. By combining data with direct dialogue at construction sites, we aim to gain a deeper understanding of

customers’ usage purposes and challenges while strengthening our proposal capabilities. This approach enables integrated management from lead acquisition through contract execution and after-sales follow-up. As a result, we can improve sales efficiency and productivity while also increasing customer satisfaction and maximizing revenue opportunities through continued usage and additional proposals.

[P.35 Advancing Operations and Improving Productivity](#)

Strategic Investments and Financial Policy for Sustainable Growth

With regard to our financial strategy, we will seek to further enhance corporate value and market evaluation while maintaining a balance between growth investments and shareholder returns. For growth investments, we anticipate allocating ¥25.0 billion, plus additional funds, to M&A investments that complement our regions and business fields. Should a large-scale opportunity arise, we will also consider utilizing debt financing as appropriate.

At the same time, investment in rental assets is expected to exceed ¥200 billion over the five years. In the previous fiscal year, we implemented approximately ¥41.7 billion in capital expenditures. By placing importance on EBITDA and investing in projects where profitability is expected, we will continue to pursue healthy expansion while improving our operating margin.

[P.24 Investment Strategy: Cash Allocation](#)

Advancing Data-Driven Management

Enhancement of DX strategies has long been recognized as a management priority. In 2024, we established the DX Strategy Office as a unit reporting directly to the president, and initiatives such as improving rental asset efficiency and advancing the sales process have already progressed as outcomes of these strategies. In 2025, we also launched construction equipment rental services on the EC platform MonotaRO and began offering the online rental service Quick Order Rental. We expect the results of DX utilization to become increasingly visible in a wider range of areas going forward.

In addition, we will steadily advance the implementation of data-driven management. By embedding data-based decision-making across sales, maintenance, and administrative functions, we will establish an integrated structure that enables agile management decisions through close coordination among these three functions.

[P.34–35 Enhancement of DX Strategies](#)

Sustainability

Promoting Value Co-Creation and Collaboration with Diverse Stakeholders

The Kanamoto Group Corporate Philosophy is to “Become an excellent, dynamic corporate group that uses its solid earnings as a base to reward customers, employees, and shareholders.” This philosophy reflects our belief that a company should generate earnings through its business activities, return those earnings to customers, employees, and shareholders, and contribute to the sustainable development of society. In essence, this is the foundation of our approach to sustainability management.

We have long practiced sustainability management, and in March 2025, we established a Multi-Stakeholder Policy. Through this policy, we have clarified our commitment to value co-creation with diverse stakeholders. We will also ensure that the outcomes generated through collaboration are distributed appropriately while continuing to strengthen relationships of trust with all stakeholders.

P.44–45 Dialogue with Stakeholders

Supporting the Growth and Success of Diverse Human Resources

Returning earnings and results to employees represents an investment in human capital that supports our future growth. The value we create as a Group does not arise from construction machinery itself, but from the work of each employee who understands the needs of construction sites and delivers optimal solutions. For this reason, we recognize the expansion of human capital investment and the development of a supportive internal environment as important management priorities. Going forward, in addition to improving salary levels, we will continue to implement measures that enhance employee engagement and advance health and productivity management. Through these initiatives, we will support the growth and active participation of diverse human resources. The proportion of women in sales positions has also been increasing, and we will further strengthen initiatives to advance women in the workplace.

P.42–43 Human Capital

Enhancing Corporate Value and Shareholder Returns

As a listed company, returning value to shareholders and maintaining dialogue with the capital markets are important management priorities. Dividends represent our basic shareholder return policy. Even during the period when we recorded a final loss due to the impact of the 2008 global financial crisis, we maintained dividends and have continued progressive dividend increases without reducing the dividend, excluding anniversary commemorative dividends. Looking ahead, we will aim for total shareholder returns exceeding a payout ratio of 50% and seek to increase dividends through sustained profit growth.

For the fiscal year ended October 31, 2025, we increased the dividend by ¥15 compared with the previous fiscal year. We also plan to raise the dividend again in the fiscal year ending October 31, 2026, marking three consecutive years of dividend increases.

In addition, we have continued to acquire treasury shares. In fiscal 2025, the amount allocated to share repurchases was increased from ¥2 billion to ¥3 billion. Taking stock price trends into account, we will proceed with flexible share repurchases and strive to return value to shareholders through share price appreciation.

P.25 Shareholder Returns Policy

Strengthening Corporate Governance

We recognize that strengthening corporate governance is an extremely important management priority for achieving the sustained enhancement of corporate value. Kanamoto ensures transparency in decision-making by appointing outside directors and clarifies supervisory and execution responsibilities through the executive officer system. Following approval at the shareholders’ meeting in January 2026, the Board of Directors will consist of six independent outside directors out of a total of 13 directors, including three female directors.

In November 2025, we also established the Nomination and Compensation Committee as an advisory body to the Board of Directors. An independent outside director chairs the committee, and the majority of its members are outside directors. Through this structure, we are strengthening fairness, transparency, and objectivity in the nomination and compensation of directors and executive officers, thereby further enhancing our corporate governance.

In addition, we adopt the Board of Corporate Auditors System. Of the six auditors, three are independent outside auditors, ensuring effective oversight of management.

P.46–53 Corporate Governance Structure

Conclusion

Contributing to the Sustainable Development of Society and Becoming a Leading Company in the Rental Industry

In November 2026, I will mark my tenth year as president and CEO. Over the past decade, the criteria used to evaluate corporate value have changed significantly. Companies are now evaluated not only on performance and sales but also on capital efficiency, governance, carbon neutrality, sustainability, diversity, and other forms of value creation through a wide range of indicators.

In responding to these expectations, I believe the most important factor is profitability. Stable earnings and sustained growth form the foundation of a company. Improvements in PBR and ROE, environmental initiatives, and workstyle reforms can only be achieved on that foundation. By responding to stakeholder

expectations and contributing to the sustainable development of society based on a solid earnings base, we believe we can continue to earn the trust of our stakeholders.

Based on this philosophy, Kanamoto will devote its full efforts to providing high-quality services, maintaining strong profitability, responding to stakeholder expectations, and addressing social challenges. The construction equipment rental business plays an essential role in supporting social infrastructure, and by fulfilling this responsibility, we will further strengthen the Kanamoto brand as a leading name in the rental industry.

To this end, I ask for the continued and unwavering support of our shareholders and other investors.

T. Kanamoto



History of Creating and Evolving Corporate Value

The history of Kanamoto began in Muroran City, Hokkaido—the center of the steel industry—in October 1964. Over the years, Kanamoto has pioneered change throughout the world and continued to spearhead its own evolution in many ways from transforming and expanding core businesses, developing strategic bases, and forming alliances to publicly listing company stock and entering into overseas markets.

This section introduces the historic growth trajectory always in step with change at Kanamoto.



Kanamoto Shoten in Kaigan-cho, Muroran

1964

- Kanamoto Shoten Co., Ltd. established (Reorganization in Muroran, Hokkaido)
- Zenchu Kanamoto appointed President and Chief Executive Officer, and Taichu Kanamoto appointed Executive Director



Safe from Kanamoto's sole proprietor era



Indigo blue dyed apron from the Kanamoto Shoten era

1971

- Began branch development in Hokkaido

1972

- Company name changed to Kanamoto Co., Ltd.

1973

- Former headquarters building (Muroran) completed

1979

- Established branch in Aomori Prefecture, marking the first expansion outside of Hokkaido (began branch development in the Tohoku Region)

1981

- Taichu Kanamoto appointed President and Chief Executive Officer

1983

- Established branch in Chiba Prefecture (began branch development in the Kanto Region)
- Launched Information Products Division as the Company's third operating division (Tomakomai, Hokkaido; relocated to Bunkyo-ku, Tokyo the following year)

1985

- Established the Construction Equipment Rental Division Tokyo Office (Bunkyo-ku, Tokyo)
- Completed online computer system network linking all branches



Computer Division equipment room in the 1980s

1991

- Listed stock on the Sapporo Securities Exchange



Sapporo Securities Exchange on the day Kanamoto's stock was listed

1994

- Established branch in Aichi Prefecture (began branch development in the Chubu Region)
- Established branch in Osaka Prefecture (began branch development in the Kinki Region)

1996

- Listed stock on the Second Section of the Tokyo Stock Exchange
- Relocated head office functions to Sapporo, Chuo City



Tokyo Stock Exchange on the day Kanamoto's stock was listed

1998

- Stock elevated to the First Section of the Tokyo Stock Exchange
- Kanchu Kanamoto appointed President and Chief Executive Officer, and Taichu Kanamoto appointed Chairman of the Board and Representative Director



Celebration commemorating elevation of stock to First Section of the Tokyo Stock Exchange

1999

- Completed construction on the Kanamoto Hamamatsucho K Building



Kanamoto Hamamatsucho K Building (Business Coordination Headquarters)

2000

- Began earnest execution of alliance strategy, including conclusion of alliance with Machida Kikou Co., Ltd. and acquisition of Kanatech Co., Ltd. stock

2004

- Established branch in Kagawa Prefecture (began branch development in Shikoku Region)

2006

- Established subsidiary in Shanghai, China and began expansion outside of Japan

2007

- Established branch in Hiroshima Prefecture (began branch development in the Chugoku Region)
- Introduced special benefits program for shareholders

2012

- Acquired stock of Unite Co., Ltd.

2014

- Changed stock trading unit size from 1,000 shares to 100 shares
- 50th anniversary of Kanamoto's establishment

2015

- Successively expanded operations into Indonesia, Vietnam, Thailand, the Philippines, and ASEAN countries
- Stock selected for the first time as a constituent issue for the JPX-Nikkei Index 400

2016

- Tetsuo Kanamoto appointed President and Chief Executive Officer, and Kanchu Kanamoto appointed Chairman of the Board and Representative Director
- Acquired stock of NISHIKEN CO., LTD.
- Stock selected for the first time as a constituent issue for the JPX-Nikkei Mid and Small Cap Index

2017

- Established new companies in Thailand and Shanghai, China

2018

- Established branch in Fukuoka Prefecture (began branch development in Kyushu)
- Expanded operations into Malaysia



KANAMOTO & JP NELSON EQUIPMENT (M) SDN. BHD.

2020

- Made SOOKI Co., Ltd. and SOOKI SALES Co., Ltd. subsidiaries following the stock acquisition of SOOKI HOLDINGS Co., Ltd.
- Expanded operations into Australia



PORTER EXCAVATIONS PTY. LTD.

2022

- Transition to Tokyo Stock Exchange Prime Market

1960s-1970s

Established the foundation of the construction equipment rental business during Japan's period of high economic growth and expanded business domains through the development of branches.

1980s

The company grows into a public company and fosters new growth toward the information age.

1990s

Listed on the Sapporo Securities Exchange, and the First Section of the Tokyo Stock Exchange two years after listing in the Second Section.

2000s

Kanamoto forms an alliance group and enters overseas markets for the first time.

2010s

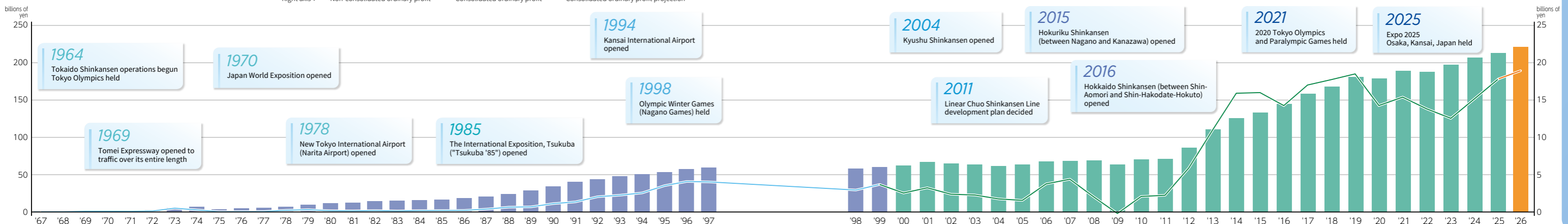
Kanamoto celebrates its 50th anniversary and further hones its determination for innovation.

2020-

Steadily advancing initiatives aimed at growth strategies and improving capital efficiency.


Change in Net Sales/Ordinary Profit

Left axis : ■ Non-consolidated net sales ■ Consolidated net sales ■ Consolidated net sales projection
Right axis : ■ Non-consolidated ordinary profit ■ Consolidated ordinary profit ■ Consolidated ordinary profit projection



Kanamoto's Performance in Numbers

Kanamoto's strength is in our ability to support clients responsively. These figures focus on the source of the Company's responsiveness, including our nationwide location network, our technological capabilities, and other features.



Net Sales and Operating Profit

P54 →

Consolidated Net Sales


¥213,266 million

Consolidated Operating Profit

¥17,369 million

Operating Profit Margin

8.1%



Number of Locations and Group Companies

P33 →

Kanamoto Group


557 locations

Overseas Expansion

7 countries

Number of Alliance Group Companies

35 companies



Number of Rental Items

P16 →

Approx. **5,000 models,**
1,800,000 items

*The models of equipment and number of items handled by the Group have been revised as of the end of October 2025.



Personnel (Certified)


P42-43 →

Construction Equipment Mechanic	976	Portable Generator Mechanic	606
<small>*Total of Expert, 1st Class, and 2nd Class Mechanic</small>			
Organic Solvent Work Manager	411	Hazardous Materials Handling Manager	422
Vehicle-Type Construction Equipment Operator	4,527	Mobile Crane Operator	2,088

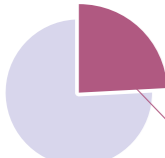
*Number of qualifications held is the cumulative total of all qualifications (one person holding multiple qualifications is counted separately for each of his or her qualifications).

Number of Employees	Non-consolidated	Consolidated
	2,001	3,933
Average Years of Service	13.2	

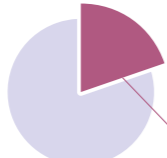
*Excluding directors and temporary or part-time workers



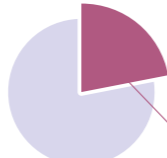
Construction Equipment Rental Business: Sales Ratio of Equipment Rentals by Region



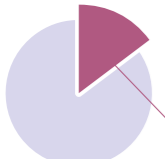
Hokkaido Region
24.3%



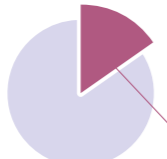
Tohoku Region
19.8%



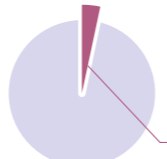
Kanto & Koshinetsu Region
22.0%



West Japan Region
14.9%



Kyushu & Okinawa Region
15.4%



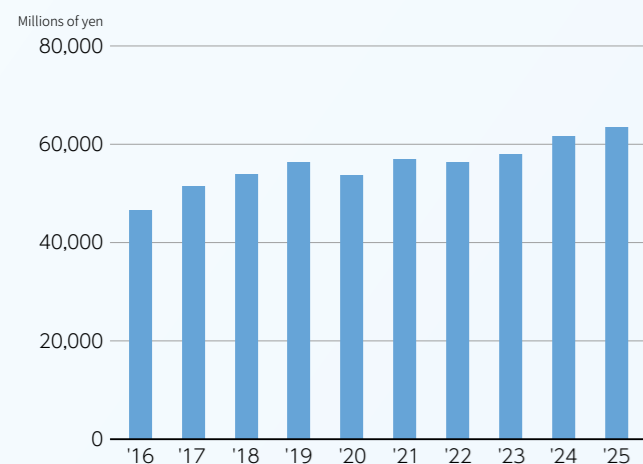
Overseas
3.6%

Ten-Year Summary (Consolidated)

Millions of yen

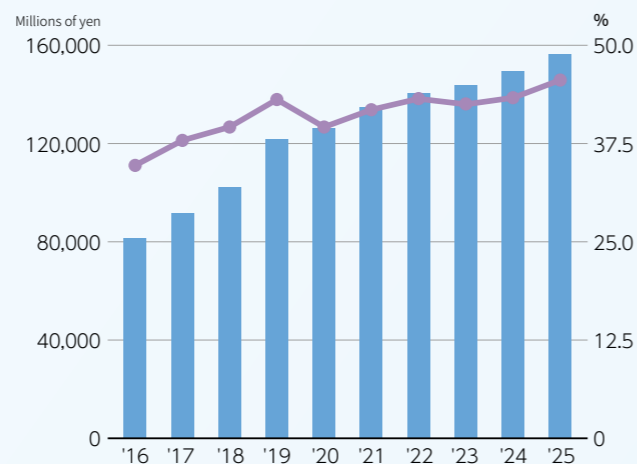
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Consolidated operating results										
Net sales	144,870	158,428	168,188	180,694	179,053	189,416	188,028	197,481	207,218	213,266
Operating profit	15,134	16,665	17,599	17,842	14,250	14,624	13,229	11,958	14,569	17,369
Ordinary profit	14,405	17,193	17,925	18,277	14,268	15,391	13,780	12,488	15,218	17,951
Profit attributable to owners of parent	8,098	10,744	11,857	11,430	8,466	8,907	8,345	6,721	9,013	10,977
Plant and equipment investment	29,441	26,584	35,136	39,810	38,585	28,596	35,831	43,926	38,921	32,266
Consolidated financial position										
Total assets	220,540	227,155	241,374	268,182	301,533	303,754	305,320	316,440	322,853	324,088
Net assets	81,434	91,788	102,031	121,779	126,188	134,917	140,611	143,677	149,713	157,463
Consolidated cash flows										
Net cash provided by (used in) operating activities	26,618	37,788	35,421	39,146	40,701	39,351	33,158	37,960	41,696	47,415
Net cash provided by (used in) investing activities	(8,940)	(4,747)	(6,980)	(5,989)	(14,040)	(3,373)	(11,331)	(6,699)	(2,729)	(4,731)
Net cash provided by (used in) financing activities	(20,726)	(30,960)	(26,858)	(26,740)	(22,204)	(28,794)	(30,893)	(33,995)	(33,529)	(32,654)
Cash and cash equivalents at end of period	33,069	35,160	36,733	43,511	48,023	55,557	47,047	45,093	50,586	60,592
Information per share of common stock										
Net income per share	229.16	304.05	335.54	295.30	221.45	235.55	224.64	185.40	253.72	314.15
Net assets per share	2,169.93	2,440.41	2,707.49	2,981.68	3,150.30	3,357.10	3,571.98	3,729.73	3,950.40	4,227.68
Dividends per share	45.00	50.00	60.00	65.00	65.00	70.00	75.00	75.00	80.00	95.00
Dividend payout ratio	19.6%	16.4%	17.9%	22.0%	29.4%	29.7%	33.4%	40.5%	31.5%	30.2%
Management index										
EBITDA*	46,530	51,545	53,863	56,322	53,785	57,030	56,241	57,894	61,714	63,685
Equity ratio	34.8%	38.0%	39.6%	43.1%	39.5%	41.8%	43.2%	42.5%	43.4%	45.4%
Return on equity (ROE)	11.1%	13.2%	13.0%	10.8%	7.2%	7.2%	6.4%	5.0%	6.6%	7.6%
Return on assets (ROA)	3.8%	4.8%	5.1%	4.5%	3.0%	2.9%	2.7%	2.2%	2.8%	3.4%

EBITDA*



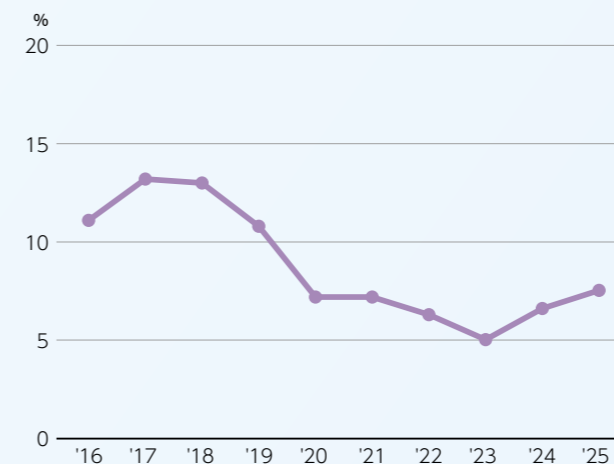
EBITDA* = Operating profit + Depreciation expense + Other depreciation and amortization expense + Low-price rental assets, and others

Net Assets Equity Ratio



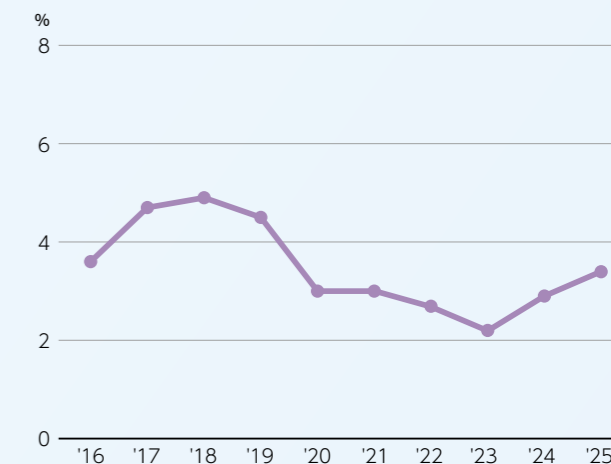
Net assets
Equity ratio = Shareholders' equity ÷ Total assets

Return on Equity (ROE)



ROE
ROE = Net income ÷ Shareholders' equity = EPS ÷ BPS

Return on Assets (ROA)



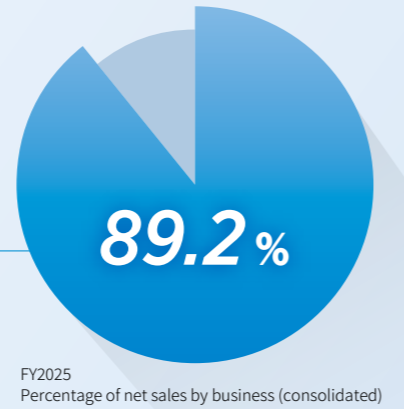
ROA
ROA = Net income ÷ Total assets

Business Overview

Construction Equipment Rental Business

We pursue rental equipment tailored to the needs of worksites as social infrastructure that supports construction.

The core Construction Equipment Rental Business accounts for approximately 90% of sales. By responding swiftly and accurately to on-site needs, we contribute to the development of next-generation social infrastructure beyond equipment supply.



One-stop procurement supported by approximately 5,000 models and 1.8 million rental items

The rental items owned by our Group have reached approximately 5,000 models and 1.8 million items. From mainstay construction machinery and temporary housing materials to DX-related equipment of growing importance, we cover every item required at worksites. In addition to a wide range of sizes, we offer a diverse selection of options. Through a full-lineup structure that enables customers to complete procurement in one stop, together with comprehensive support, we respond to the diverse needs of construction sites.



Reliable maintenance systems set up at around 220 branches nationwide

We operate approximately 220 branches nationwide and more than 530 branches across the Group as a whole. In principle, each branch is staffed with maintenance personnel possessing advanced technical expertise, who carry out thorough daily inspections and servicing to maximize equipment performance. Maintaining this high level of maintenance quality serves as the foundation for the safe operation of rental equipment and for enhancing asset value at the time of sale.

Practicing "Rent and Sale" to maximize asset value

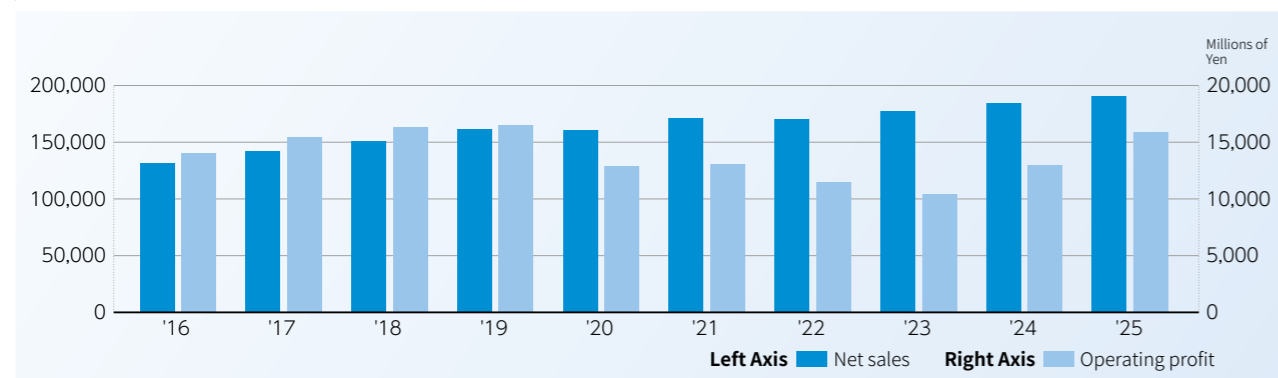
Our business is based on a circular model in which investments are recovered through rental income after asset acquisition, followed by eventual sale. We have consistently pursued higher profitability by reducing the depreciation burden and extending the life of assets. In addition, for high-demand used construction equipment, we accurately assess global market trends and practice flexible asset management, including sales at optimal times.

A compensation system that responds promptly to increasingly diverse risks

We have established a comprehensive compensation system that broadly covers risks such as accidents, theft, and other inherent risks of construction equipment or vehicles during the rental period. As accident circumstances become more complex and user needs more sophisticated, we assign specialized compensation assessment managers in each region. By proposing optimal compensation plans tailored to each customer's situation, we provide reassurance beyond simply supplying equipment, thereby earning the solid trust of worksites.



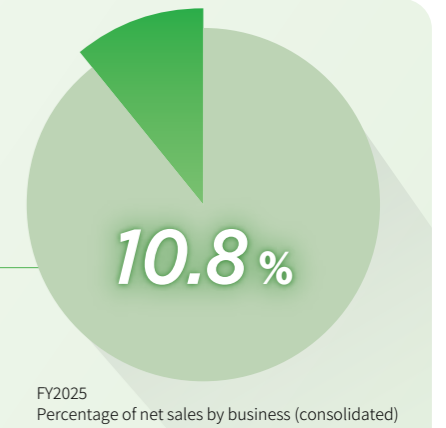
Performance



Other Businesses

We will broaden earnings opportunities in a diverse range of sectors.

The Kanamoto Group develops its Steel Product Sales Business, Information Products Rental Business, Welfare-related Business and a variety of other businesses alongside its core Construction Equipment Rental Business.



Steel Product Sales Business From our origins to the future—ensuring a stable supply of steel products

The Steel Product Sales Business, a core business since our founding, provides a stable supply of general steel, sheet pile, single tube piping, and other steel products, primarily in Hokkaido. We also maintain a highly specialized construction system, including exterior wall construction with ALC and extruded cement panels, as well as thermal insulation and waterproofing using the high-performance KT Roof System. By undertaking both material supply and construction under a comprehensive contract, we reduce customers' procurement workload and optimize costs. We will continue to support construction sites through the supply of steel products that underpin infrastructure development and the provision of construction systems.

trends in the industry and propose optimal services on both hardware and software fronts, with a focus on cloud utilization and security measures. By integrating specialized expertise with a user-oriented perspective, we will continue to provide the latest IT environments promptly and flexibly.

Welfare-related Business Comprehensive in-home care through high-quality services

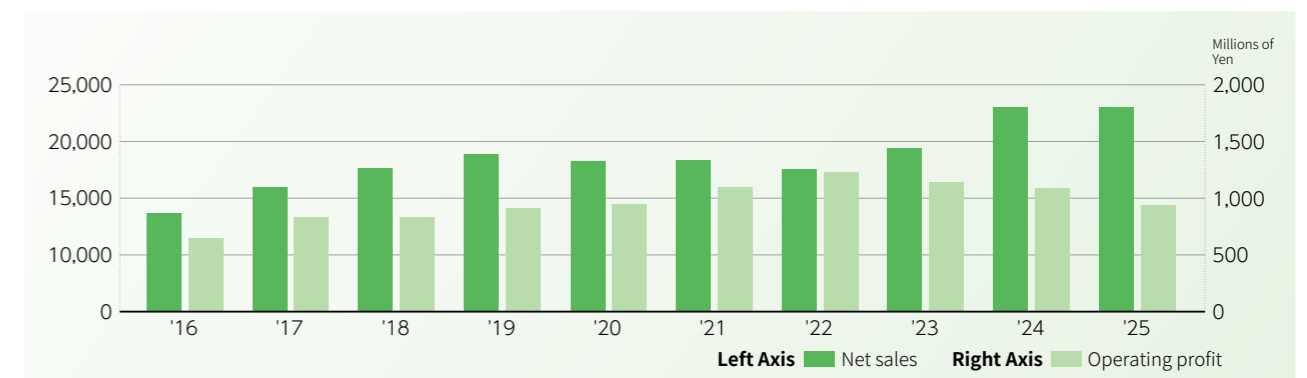
In the Welfare-related Business, NISHIKEN CO., LTD. and Carewell Anshin Co., Ltd. rent and sell assistive technology and nursing care products. Safety and security are keywords in the Welfare-related Business. Our broad line-up from personal-use products to training equipment for care and prevention support the care-giving activities needed in each community and assist individuals receiving care to become more independent and mobile. Our unique service system goes further via uncompromising quality control encompassing everything from maintaining devices on-site at factories to ensuring prompt shipments.



Information Products Rental Business Capturing the evolution of IT to provide optimal environments through rental

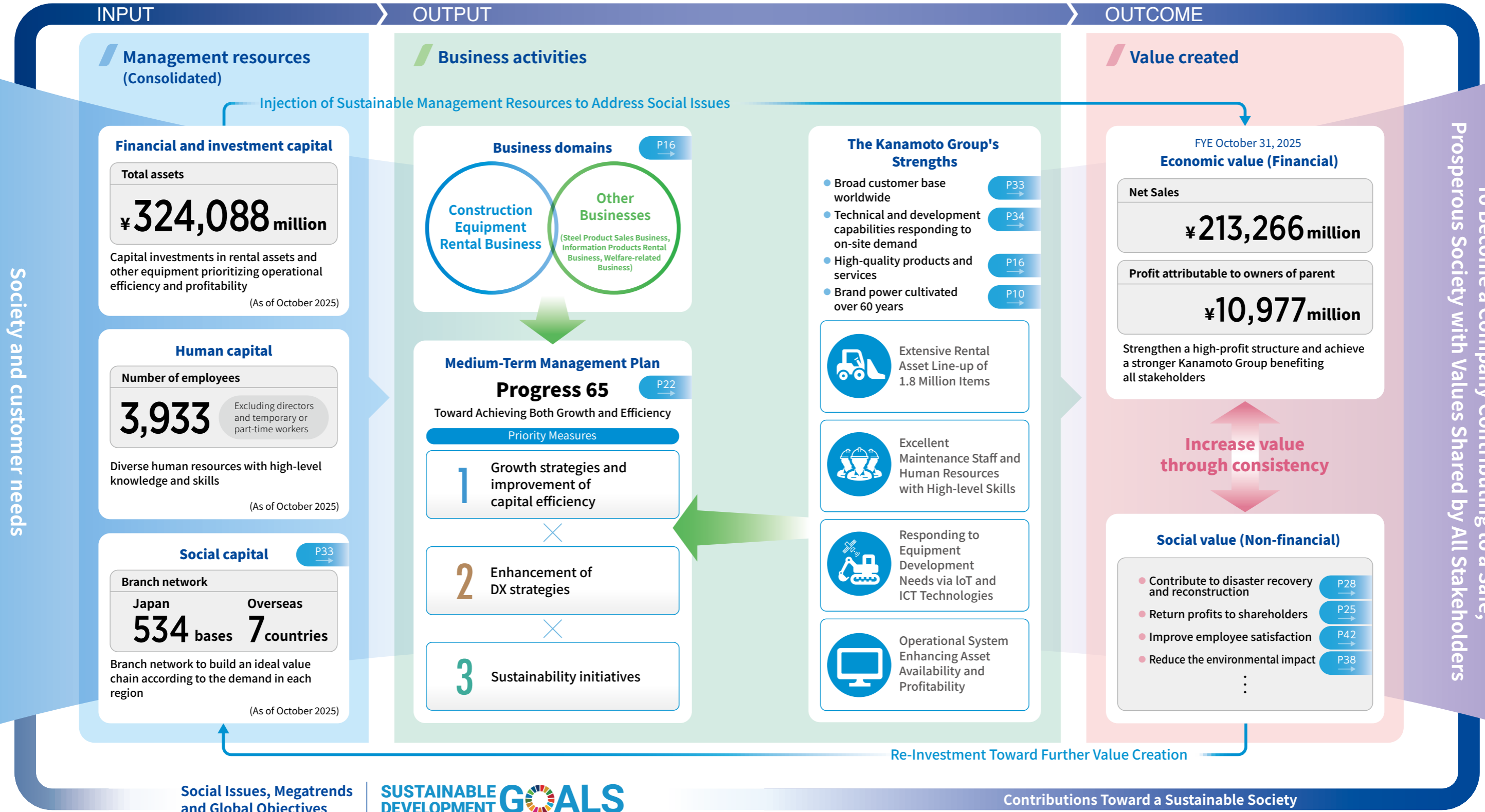
Since its launch in 1983, the Information Products Rental Business has continuously rented out state-of-the-art IT equipment, supporting the development of corporate infrastructure. Since 2012, through "Kanamoto Cyberbrain Warehouse", we have established a circular model that supports IT utilization throughout the entire equipment life cycle, including online sales of used equipment after the rental period ends. We constantly research rapid technological innovation

Performance



Value Creation Process

The Kanamoto Group creates value that helps address social issues through the development of global businesses centered upon construction, robust corporate governance and ideal organizations and structures, while integrating and using management resources founded in the needs of society and customers.



Progress 65 —Toward Achieving Both Growth and Efficiency

Summary of Medium-Term Strategy

Under the previous Medium-Term Management Plan, we focused on strengthening the foundations for achieving the 2030 Vision. With our latest Medium-Term Management Plan, called “Progress 65,” we have set ourselves the challenge of achieving the 2030 Vision as soon as possible, with the goal of striking a balance between growth and efficiency. Going forward, we will work to realize our Group Corporate Philosophy of “Become an excellent, dynamic corporate group that uses its solid earnings as a base to reward customers, employees, and shareholders” steadily implement the measures outlined in “Progress 65,” and strive to become a true general construction equipment rental company.

Aim for early achievement by FY2029

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.

Numerical Targets	
Net sales (Consolidated)	Operating profit (Consolidated)
¥225 billion	¥20 billion
ROE	Total return ratio
Over 8%	Over 50%

A true general construction equipment rental company



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

Reforms in the industry

- 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

- 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 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

Progress 65 2025–2029

Toward Achieving Both Growth and Efficiency

Trends in Key Management Targets

	FY2025	FY2026 (Plan)	FY2029 (Plan)
Net sales	¥ 213.2 billion	¥ 221.0 billion	¥ 235.4 billion
Operating profit	¥ 17.3 billion	¥ 18.7 billion	¥ 21.0 billion
Operating profit margin	8.1%	8.5%	8.9%
ROE	7.6%		8.2%

Overview of Our Medium-Term Management Plan “Progress 65”

Guided by three priority measures—“Growth strategies and improvement of capital efficiency,” “Enhancement of DX strategies,” and “Sustainability initiatives”—we aim to build a solid earnings base that is not affected by changes in the business environment and to contribute to the realization of a sustainable society.

Priority Measures and Progress Status

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

- Progress**
- We promoted appropriate purchasing of rental assets and extended service lives, achieving both greater volume through an increase in fully depreciated assets and reductions in costs.
 - While continuing efforts to optimize rental prices, we maintained utilization rates.
 - In the surveying and measurement equipment field, we completed the M&A of CACH Inc.
 - For overseas expansion, we have continued strengthening our existing base in Asia and Oceania and our FS activities in the North American market.

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
- Development of new products and new materials
- Operation improvement → Business reform → Business transformation
- Visualization and improved organizational structure of maintenance services

- Progress**
- We strengthened the provision of ICT equipment and the development of safety systems and remote management systems that utilize digital technologies.
 - By applying BI tools incorporating group indicators to branch strategies, we improved visualization of management conditions.
 - We introduced the web-based ordering system “Quick Order Rental”.
 - We began partial use of RPA, BI, and generative AI to promote greater operational efficiency and accelerate the implementation of data-driven management.

3 Sustainability initiatives

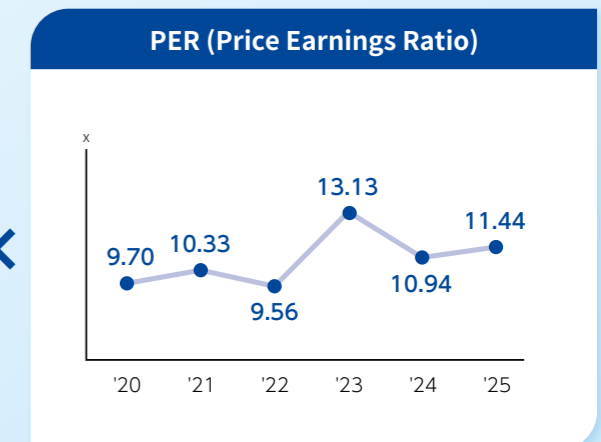
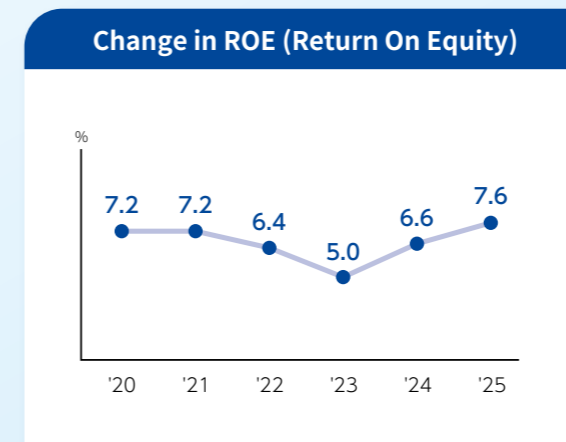
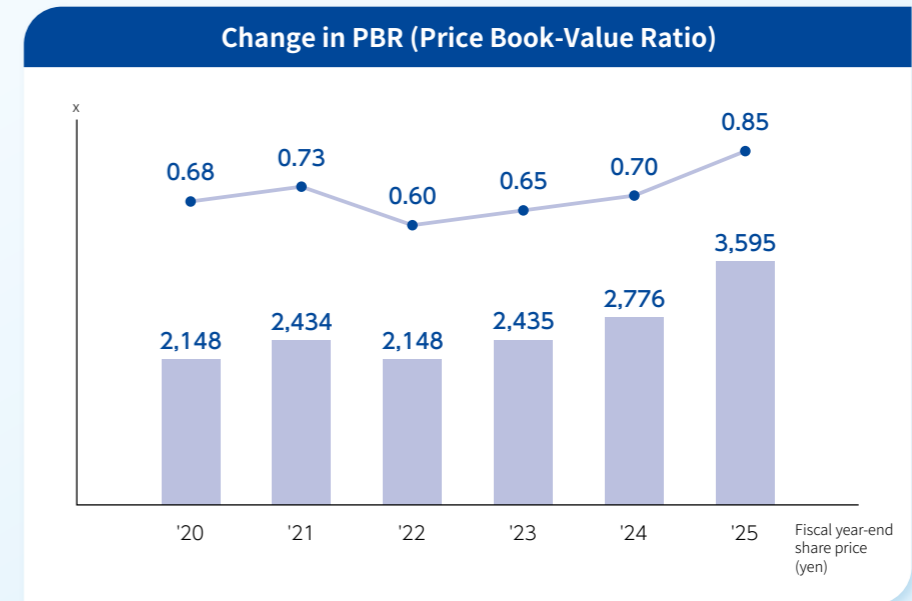
We will aim to build a foundation for sustainable growth, which is part of our Group Vision.

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

- Progress**
- We communicated our human rights policy throughout the supply chain.
 - We raised employee salary levels by an average of 8% and expanded various allowances. To enhance our health and productivity management, we introduced a health management system.
 - Combined Scope 1 and 2 emissions were reduced by 8.1% compared with FY2013.
 - To strengthen governance oversight, we established a Nomination and Compensation Committee.

Analysis of the Current Situation for Enhancing Corporate Value

- With ROE below 8% and PBR under 1.0, we are taking steps to realize management that is conscious of cost of capital and share price, while continuing to execute initiatives to achieve the numerical targets of the Medium-Term Management Plan.
- 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.
- For shareholder returns, we will continue to maintain a total payout ratio of over 50%, based on the progressive dividend policy we have followed to date. We will also continue flexibly acquiring treasury shares.



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

1 Increasing profitability

Specific initiatives to improve profitability

(1) Improving the utilization rate of rental assets

- Reviewing capital investment
- Promoting longer service lives through maintenance
- Ensuring assets are in the right place

(2) Implementing consolidation, closing or merging of business offices

Consolidated results	Site		
	Closed	Consolidated	Opened
FY2024	17	2	7
FY2025	14	3	12

(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.



2 Strengthening the policy for shareholder returns

We will maintain a target total payout ratio of over 50%, uphold stable dividends, and implement a progressive dividend policy aimed at increasing dividends in line with sustained profit growth. In addition, we will also work flexibly to purchase treasury shares with the aim of improving capital efficiency and shareholder returns.

Total return ratio over 50%

3 Continuing to carry out proactive IR activities

Through two-way communication with shareholders and investors, the Company strives to ensure that information concerning our management condition and operating policies is conveyed accurately and in a timely manner, and that corporate value is maximized.

→ Please also see page 44 for further details.



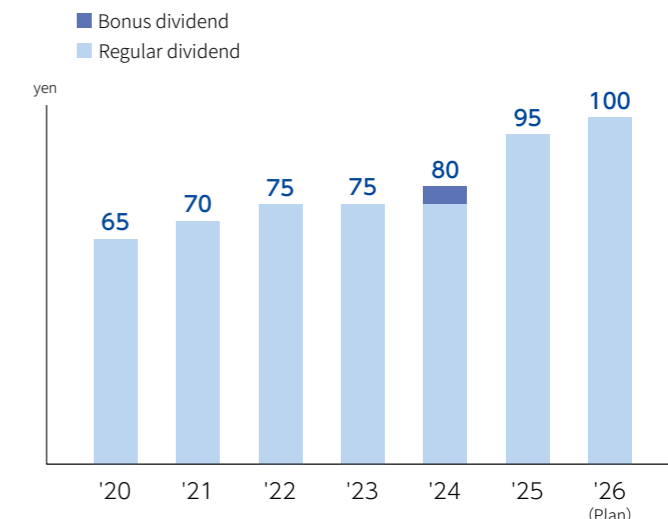
Investment Strategy: Cash Allocation

We will aim to further enhance corporate value and market valuation by maintaining an appropriate balance between growth investments and shareholder returns.

Cash flows EBITDA ¥250 billion or more	Shareholder returns ¥25 billion or more	Continue stable dividends with a target total payout ratio of 50% or more and flexibly purchase treasury shares.
	Rental equipment investment, etc. ¥200 billion or more	Ascertain demand trends, make strategic investments to achieve sustainable growth and improve productivity in core domestic businesses, and strengthen overseas businesses.
	Growth investment, etc. ¥25 billion or more	Aggressive investment in acquisition of growth foundation such as new businesses and M&A in order to improve group value.

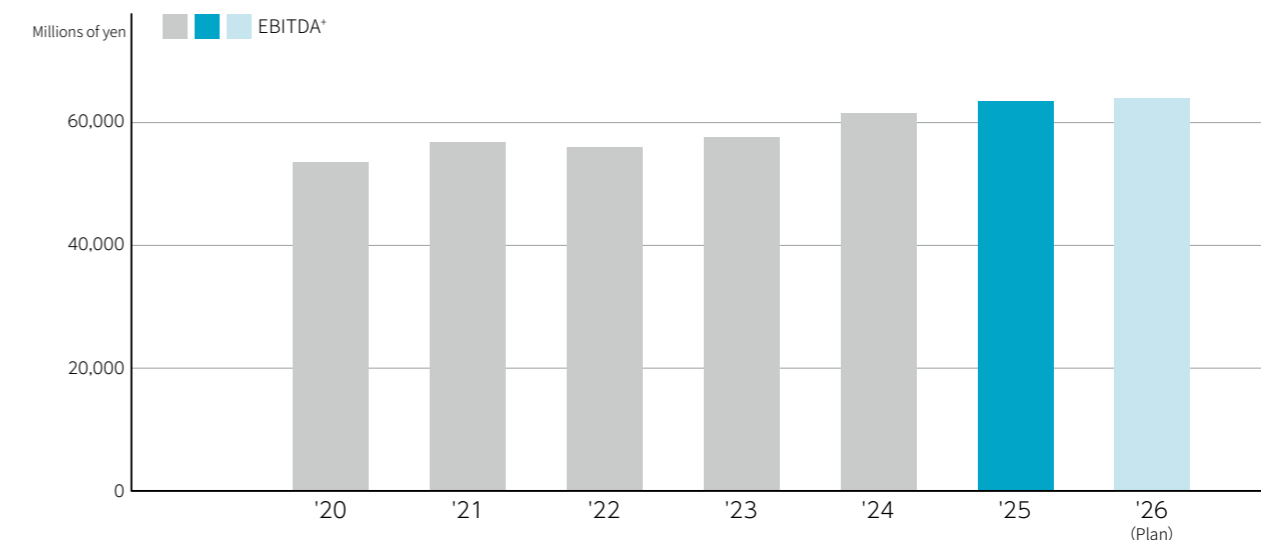
Shareholder Returns Policy

We position the distribution of earnings to our shareholders as a key management issue. With regard to our dividend policy, we aim to continue providing stable dividends regardless of the business environment while pursuing progressive dividends that increase shareholder returns in line with business performance. At the same time, our basic policy is to strengthen our financial position while enhancing retained earnings necessary for proactive business development in the future. Retained earnings will be used to strengthen shareholders' equity and serve as a source of capital for investments such as rental assets. We have also established a framework that enables flexible share repurchases in order to implement capital policies in a timely manner.



Changes in Capital Investment

We use our unique EBITDA+ as an important indicator when securing funds for new capital investments, including rental assets, while maintaining financial soundness.



Operating profit	14,250	14,624	13,229	11,958	14,569	17,369	18,700
Depreciation	29,073	31,712	32,528	34,891	36,275	35,037	33,100
EBITDA	43,324	46,336	45,758	46,849	50,844	52,406	51,800
Property, plant and equipment equivalents	10,461	10,694	10,483	11,044	10,869	11,278	12,400
EBITDA+	53,785	57,030	56,241	57,894	61,714	63,685	64,200
Property, plant and equipment investment	51,567	37,266	42,786	52,161	48,535	41,735	40,000
Free cash flow	2,218	19,764	13,454	5,732	13,179	21,949	24,200

EBITDA+ refers to EBITDA (operating profit and depreciation) plus property, plant and equipment equivalents.

Growth Strategies and Improvement of Capital Efficiency

Accurately identifying steadily growing public- and private-sector construction investment and demand for rental services, we will continue supporting construction sites.

Expanding business opportunities by closely monitoring market trends

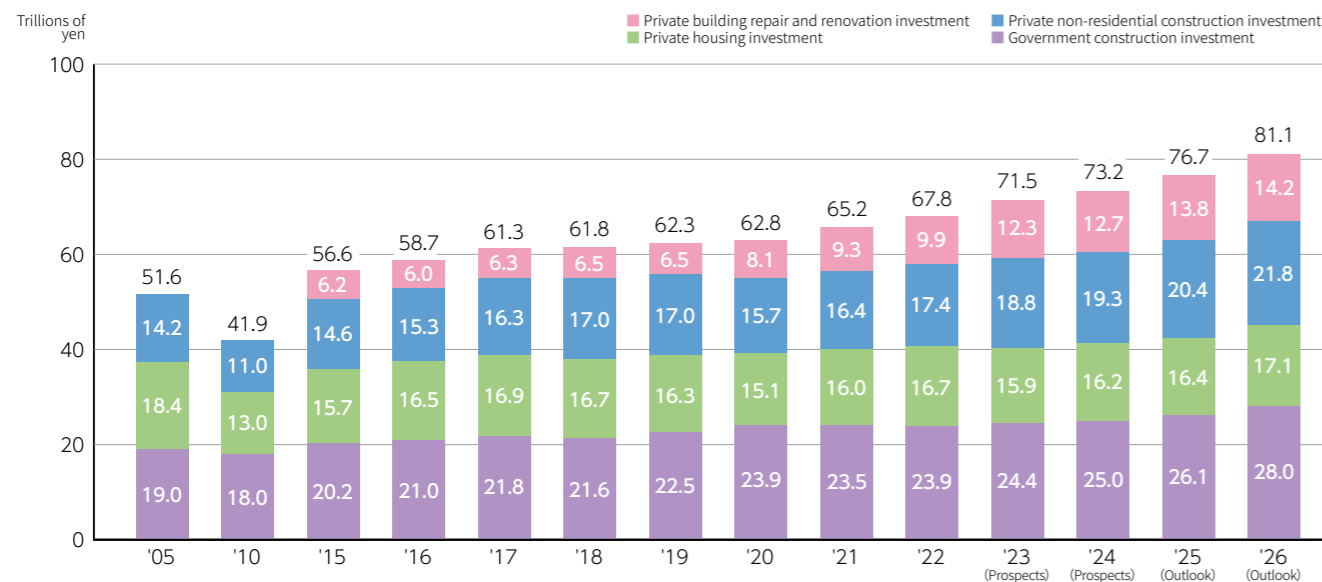
Although the domestic construction market faces structural challenges such as rising material costs and labor shortages, construction investment in fiscal 2026 is forecast to reach approximately ¥81.1 trillion, up 5.7% year on year, against a backdrop of strong public- and private-sector demand driven by national resilience initiatives and the construction of factories for advanced industries.

At the same time, amid an uncertain economic environment, construction companies continue shifting from owned equipment to rental services from the standpoint of reducing the burden of capital investment and securing management flexibility, and construction equipment rental is growing in significance.

In light of this market environment, our Group will respond swiftly and flexibly to the diverse needs of customers while contributing to greater efficiency and productivity at construction sites.



Trends in Domestic Construction Investment (Nominal Value)



Source: Prepared based on the Construction Economy Model Forecast of Construction Investment (January 2026) published by the Research Institute of Construction and Economy (RICE)

Responding to large-scale transportation infrastructure projects continuing across Japan

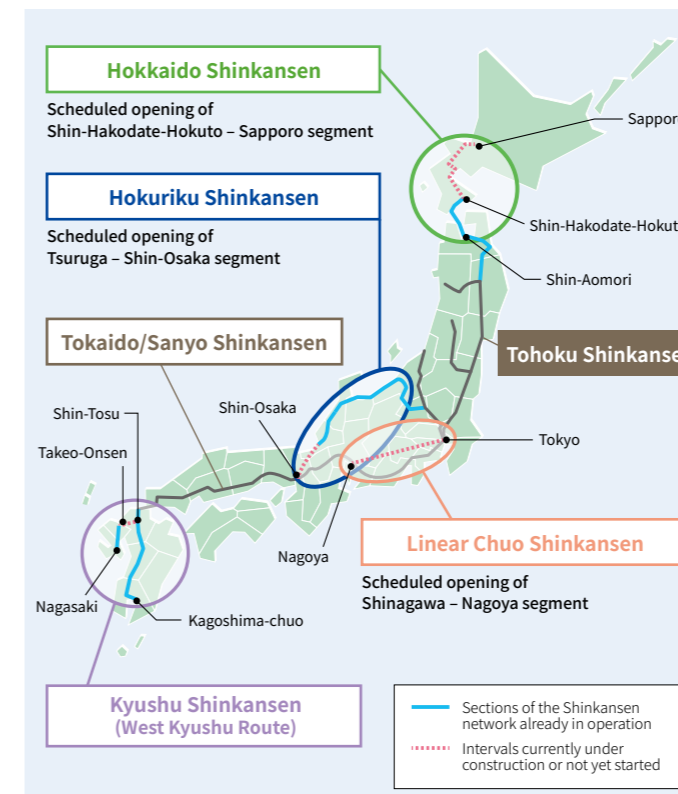
Large-scale transportation infrastructure construction and maintenance projects are also continuing in various regions. Construction work on the Hokkaido Shinkansen from Shin-Hakodate-Hokuto to Sapporo is continuing, with completion now expected around the end of fiscal 2038, and tunnel construction and other work is underway. Construction of the Linear Chuo Shinkansen (Shinagawa to Nagoya), a massive project with an estimated total cost of approximately ¥11 trillion, is also continuing. In December 2024, construction of the Linear Kanto Rolling Stock Depot also began in Sagami City, Kanagawa Prefecture. In addition, the Haneda Airport Access Line, which had been planned since 2016, began construction in June 2023 and consists of three routes: the East Yamanote Route to the Tamachi Station area, the Coastal Area Route, which links directly to the Rinkai Line area, and the West Yamanote Route to the Shinjuku and Ikebukuro areas. Completion is scheduled for fiscal 2031, and construction costs are expected to reach approximately ¥280 billion.

We are strengthening our structure so that, in collaboration with Group companies, we can respond from all directions.

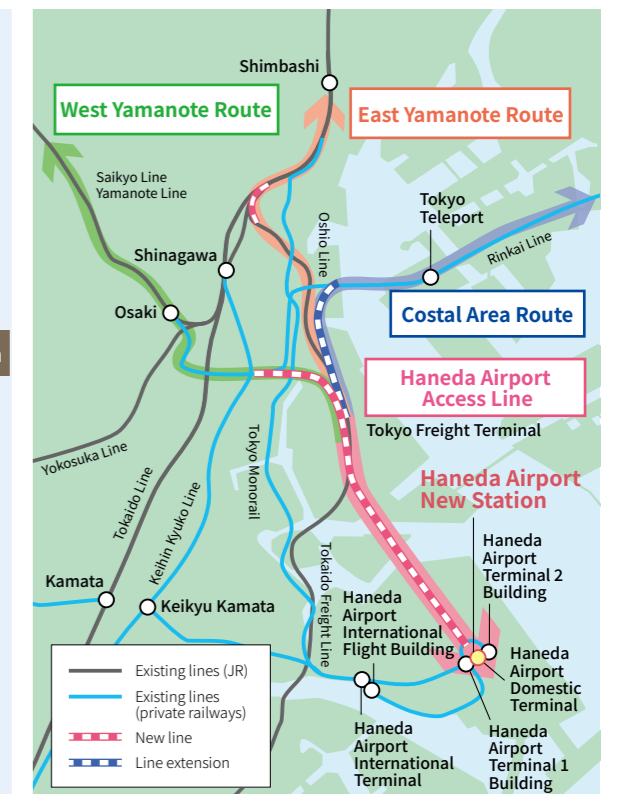


Linear Chuo Shinkansen – Kiso River Bridge No. 1 Construction Project

Various Bullet Train Lines and Linear Chuo Shinkansen Routes



Overview of the Haneda Airport Access Line Route



Source: JR East Group Management Vision "Move Up" 2027

Growth Strategies and Improvement of Capital Efficiency

Supporting social infrastructure with the systems and diverse equipment that support construction sites.

Responding to stable demand from public investment and contributing to the development of social infrastructure through a reliable supply of equipment

Domestic construction investment has remained firm, centered on public investment, against a backdrop of national issues such as preparation for increasingly severe natural disasters and the renewal of aging infrastructure. By making use of our nationwide network of 534 locations and our diverse lineup of equipment, our Group is contributing to the development of safe and secure social infrastructure.

At present, the government is promoting the Five-year Plan to Accelerate Measures for National Resilience Contributing to the Prevention and Mitigation of Disasters, and is advancing stable resilience enhancement from a medium- to long-term perspective through revisions to the Basic Act.

Leveraging the mobility of construction equipment rentals, our Group is advancing initiatives that support disaster prevention, disaster mitigation, and infrastructure development, including responding to large-scale civil engineering projects underway throughout Japan, such as basin-wide flood control for rivers, sabo dams, and the development of coastal levees.



Using specialized equipment and ICT to accurately capture growing infrastructure maintenance and repair needs

With the rapid increase in social infrastructure such as roads, bridges, tunnels, and sewage systems that have been in service for more than 50 years, the shift in maintenance cycles toward preventative maintenance, in which measures are taken before damage becomes apparent, is progressing. In addition to expanding our lineup of specialized equipment such as bridge inspection vehicles and aerial work platforms, our Group is also advancing its response in the field of infrastructure maintenance and repair through proposals for ICT construction that contribute to greater efficiency in inspection work and reduced manpower.

In addition, we have established an immediate response system based on disaster agreements with local governments and are advancing the development of disaster-prevention-related equipment. In the event of a large-scale natural disaster, we have established a system under which the entire Group, in cooperation with local governments and related organizations, provides support such as the supply of equipment and materials. Through initiatives to address the maintenance and repair of aging infrastructure and disaster response, our Group will contribute to the stable maintenance of the social infrastructure foundation and the development of a resilient nation.



► Priority Initiatives and Project Scale of the Five-year Plan to Accelerate Measures for National Resilience Contributing to the Prevention and Mitigation of Disasters

Measure	Projects	Project scale (as of November 2023)	Target project scale
Projects to tackle severer storm and flood damage as well as imminent large-scale earthquakes	78	Approximately ¥9.5 trillion	Approximately ¥12.3 trillion
Projects to prevent and minimize the harm to life and property	50		
Projects to maintain transportation networks and lifelines and support the national economy and lifestyles	28		
Obsolescence measures for a transition to preventative maintenance of infrastructure	21	Approximately ¥2.0 trillion	Approximately ¥2.7 trillion
Promotion of a digital transformation to enhance the efficiency of policies toward a more resilient nation	24	Approximately ¥0.2 trillion	Approximately ¥0.2 trillion
Digital transformation of policies toward a more resilient nation	12		
Advancements in prediction, collection, aggregation, and communication of disaster-related information	12		
Total	123	Approximately ¥11.8 trillion	Approximately ¥15 trillion

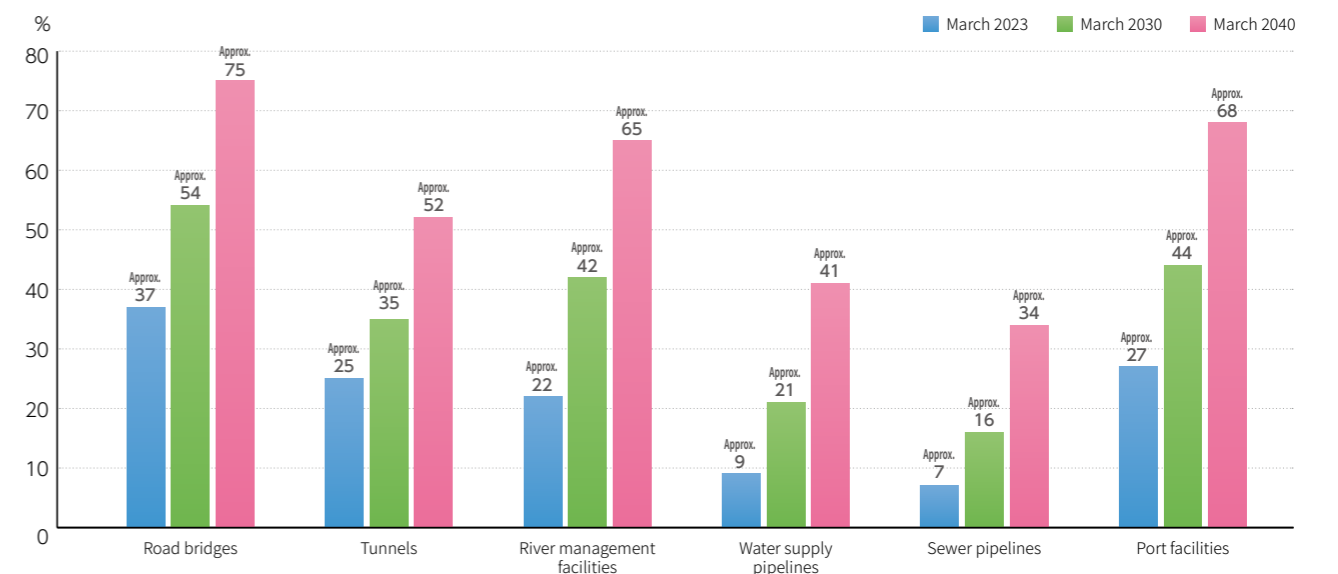
Source: Prepared based on the Case Studies of Initiatives under the Five-year Plan to Accelerate Measures for National Resilience Contributing to the Prevention and Mitigation of Disasters issued by the National Resilience Promotion Office of the Cabinet Secretariat.

► Recent Major Natural Disasters

October 2025 Typhoons No. 22 and No. 23	August–September 2025 Heavy rainfall caused by a stationary front, Typhoon No. 12, and Typhoon No. 15	February 2025 Major fire	September 2024 Heavy rainfall caused by a stationary front	August 2024 Typhoon No. 10
January 2024 2024 Noto Peninsula Earthquake	September 2023 Typhoon No. 12, and 13	August 2023 Typhoon No. 7	May–July 2023 Seasonal rain front Typhoon No. 2	May 2023 2023 Okunoto Earthquake

Source: Prepared based on the Cabinet Office website, Disaster Prevention Information page

► Percentage of Infrastructure Over 50 Years Old



Source: Prepared based on the Measures for Aging Infrastructure (April 11, 2025) released by the Ministry of Land, Infrastructure, Transport and Tourism.

Growth Strategies and Improvement of Capital Efficiency

Supporting advanced factory construction through rental services and contributing to the launch of next-generation industries through technology.

Providing proprietary solutions for the construction of bases for advanced industries such as semiconductors and data centers

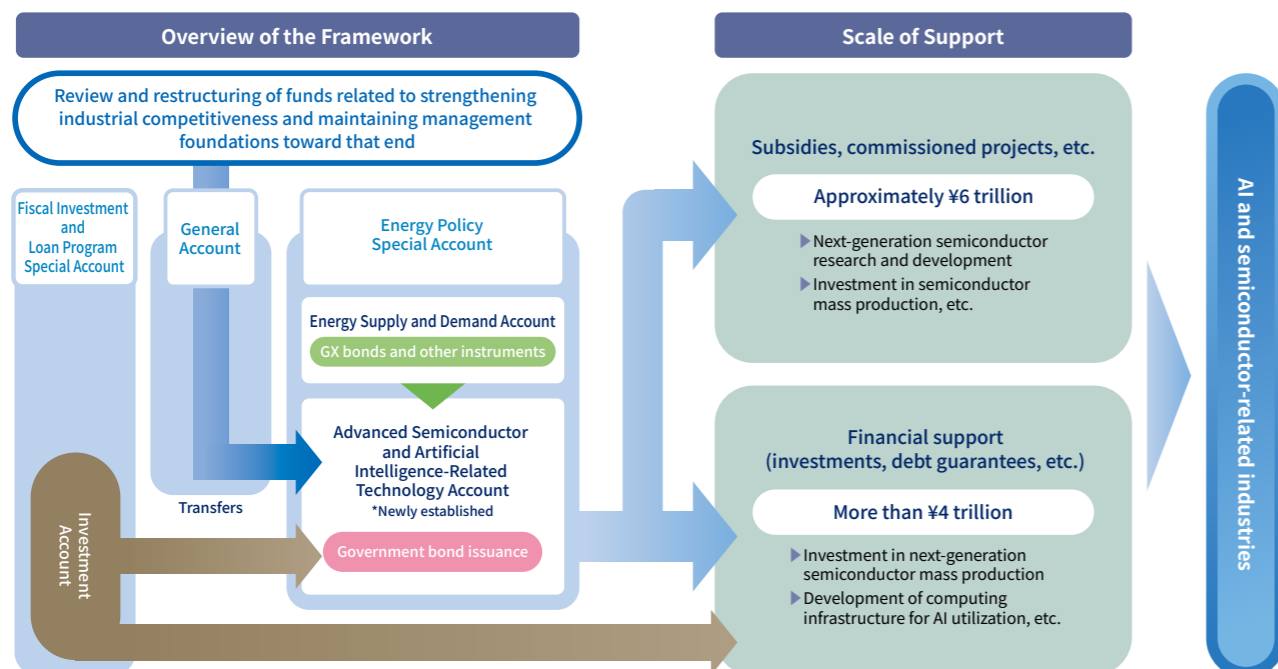
From the perspective of strengthening industrial competitiveness, the government has indicated a policy of providing more than ¥10 trillion in support for the AI and semiconductor fields over the seven years through fiscal 2030 and, using this as a catalyst, realizing more than ¥50 trillion in domestic investment over the next 10 years through public-private cooperation. Under these policies, efforts are underway to establish domestic production of next-generation semiconductors and develop data centers in Japan. The large-scale advanced factory construction project underway in Chitose City, Hokkaido, is attracting attention as one such example.

At these construction sites, demand is increasing for large construction equipment and various types of equipment that contribute to greater efficiency in construction work. Leveraging our branch network and logistics system in Hokkaido, where we were founded, we supply equipment to construction sites in advanced industries, where project schedule management is critical.

In surrounding areas as well, the development of logistics facilities, housing, commercial facilities, and other such properties is also progressing in line with the entry of semiconductor-related companies. Through the stable supply of equipment in response to this construction demand and construction support utilizing ICT technologies, our Group will contribute to improving safety and productivity at construction sites.



Forecast of Domestic Investment Related to Semiconductors and Data Centers



*Some support for conventional semiconductors and other initiatives that do not contribute to energy efficiency will be provided outside the Energy Policy Special Account.

Source: Prepared based on Ministry of Economy, Trade and Industry materials, Future Direction of Semiconductor and Digital Industry Strategy (December 23, 2025).

With a sharing economy business model, we are responding to new markets created by the progress of GX.

Promoting decarbonization throughout the supply chain toward the realization of a sustainable circular society

The shift to renewable energy is progressing toward the realization of carbon neutrality. The government is promoting GX and has indicated a policy of aiming to realize investment exceeding ¥150 trillion over the next 10 years from both the public and private sectors, and new demand is also expected in the construction field for renewable-energy-related facilities and the development of power infrastructure.

Our Group supports construction work for power generation facilities and related infrastructure in the renewable energy field through the provision of construction equipment and various types of equipment and materials.

In addition to updating our fleet to vehicles compliant with emissions regulations, we are also introducing environmentally friendly equipment such as biofuel-compatible machines, electric construction equipment, and temporary houses that utilize solar power generation. Construction equipment rental is also a business model that promotes the effective use of resources, and our Group contributes to reducing the environmental impact at construction sites through the provision of equipment.



Proposed Investment Promotion Measures through GX Economy Transition Bonds

		Public-private investment scale	Major investment promotion measures through GX Economy Transition Bonds
Manufacturing	Steel	¥3 trillion or more	•Support for capital investment to convert manufacturing processes in high-emission manufacturing industries (conversion to innovative electric furnaces, use of ammonia as a heat source for cracker furnaces, chemical recycling, biochemicals, CCUS, biorefineries, etc.)
	Chemicals	¥3 trillion or more	
	Pulp and paper	¥1 trillion or more	
	Cement	¥1 trillion or more	
Transportation	Automobiles	¥34 trillion or more	•Support for the introduction of electric vehicles (passenger vehicles) and charging/fueling equipment •Support for the introduction of electric vehicles (commercial vehicles, etc.)
	Storage batteries	¥7 trillion or more	•Support for the introduction of production equipment •Support for the introduction of stationary storage batteries
	Aircraft	¥4 trillion or more	•Support for the development of next-generation aircraft, etc.
	SAF	¥1 trillion or more	•Support for SAF production and supply chain development
	Ships	¥3 trillion or more	•Support for the introduction of production equipment for zero-emission ships, etc. •Support for the introduction of zero-emission ships, etc.
Lifestyle, etc.	Lifestyle	¥14 trillion or more	•Renovation of homes with insulated windows •Introduction of high-efficiency water heaters •Support for the renovation of buildings such as commercial and educational facilities •Support for the introduction of housing with high energy-saving performance
	Resource circulation	¥2 trillion or more	•Support for the development of circular business models
	AI and semiconductors	¥12 trillion or more	•Support for the introduction of production equipment for power semiconductors, etc. •Support for technology development for AI semiconductors, photonics-electronic convergence, etc. •Support for the development of general-purpose AI foundation models
Energy	Hydrogen and related technologies	¥7 trillion or more	•Support focused on price gap with existing raw materials and fuels •Development of supply hubs for hydrogen, etc.
	Next-generation renewable energy	¥31 trillion or more	•Support for supply chain establishment for perovskite solar cells, floating offshore wind power, water electrolyzers, etc. •Support for the establishment of models to promote the introduction of perovskites
	Nuclear and fusion energy	¥1 trillion or more	•Development of demonstration fast reactors/high-temperature gas reactors •Fusion energy technology development •Support for technology development and supply chain establishment for the development and construction of next-generation innovative reactors
	CCS	¥4 trillion or more	•Support for establishing CCS value chains (including the development of suitable sites)

Source: Prepared based on Ministry of Economy, Trade and Industry materials, Sector-Specific Investment Strategies (ver. 3) (December 26, 2025).

Growth Strategies and Improvement of Capital Efficiency

Capturing construction demand in Asia and aiming to increase corporate value through overseas business.

Participating in large-scale projects against a backdrop of population growth and rapid urbanization

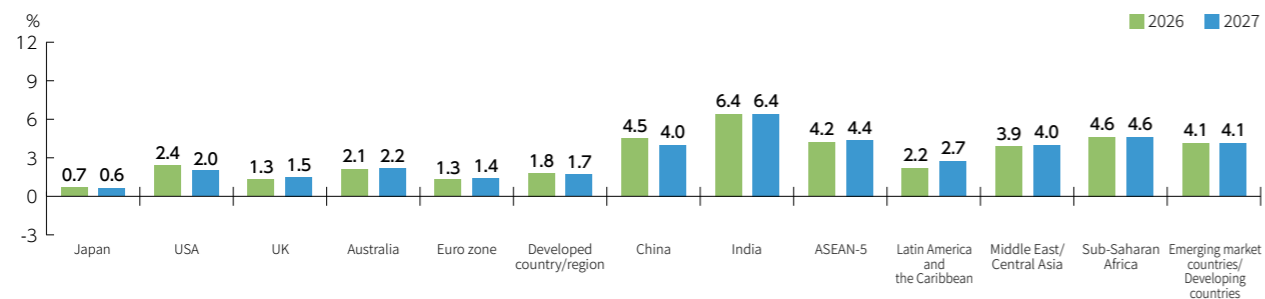
In ASEAN countries, infrastructure development to support urban functions is continuing against a backdrop of population growth and the progress of urbanization. In the Philippines and Vietnam, plans to develop transportation infrastructure, including railways and arterial roads, are moving forward, and expansion in construction-related demand is expected. Under these market conditions, our Group is leveraging the rental expertise cultivated in Japan to develop an equipment supply structure suited to local construction environments and business practices. We are also working to enhance maintenance and service systems that support stable operation. Going beyond the provision of equipment, we will strengthen our business foundation overseas through comprehensive support that includes operational aspects and connect this to the Group's sustainable growth.



Toward becoming a true general construction equipment rental company in the global market

Our Group regards overseas markets as one of the important areas for business development. In the Medium-Term Management Plan, we set targets of sustainable growth and improved capital efficiency, and we are also expanding the business foundation for our overseas business. We view overseas business as a field in which future growth can be expected, and are advancing the development of our overseas business by strengthening collaboration with partner companies, making investments in line with demand, and developing our business structure. In addition, we are promoting management with an awareness of capital efficiency and are working to secure a stable earnings base by leveraging the characteristics of the rental business even in a global economic environment with high uncertainty. Along with improving the earning capacity of existing locations, we are expanding our equipment lineup in accordance with regional needs and are working to enhance sustainable corporate value and build a strong management foundation by establishing our position as a true general construction equipment rental company in overseas markets as well.

Economic Growth Rate Outlook for Major Developed and Emerging Nations (Real GDP/Annual Percent Change)



Source: Prepared based on the IMF World Economic Outlook Update (January 2026).

Through business alliances and M&A with companies in Japan and overseas, we will promote the establishment of strategic bases and the formation of an overseas foundation.

Strategically establishing domestic bases while promoting efficiency and business alliances

Since fiscal 2024, as part of our initiatives in response to management that is conscious of cost of capital and share price, we have been consolidating, closing, or merging business offices with the aim of improving operational efficiency by reviewing overlapping offices from past M&As. Our Group's fundamental branch strategy is to promote favorable business alliances and M&A strategies with leading local companies in each region and build a more comprehensive branch network, while pursuing need-oriented development that also takes into account demand from large-scale projects in various regions. We will also continue to enhance our structure by improving operational efficiency and advancing sales processes to improve profitability, while optimizing sales tools in line with customer needs.

Strengthening the formation of our overseas foundation

Developing overseas business in China, the huge market, in the rapidly growing ASEAN nations, and in Australia, which has a land area approximately 20 times the size of Japan, is one of our Group's most important measures. In Australia, our consolidated subsidiary PORTER EXCAVATIONS PTY. LTD. opened a new base in Shepparton in September 2024. With the goal of increasing our overseas sales ratio to 10%, we are strengthening our sales system at each overseas base by focusing on training local staff in charge of sales and technical affairs. Looking ahead, with an eye toward expanding into North America, we will strengthen the sales structure of our overseas bases, develop our business in response to growing infrastructure demand in the Asia and Oceania region, and steadily build a solid foundation for dramatic growth overseas.

Branch Network

Breakdown of Sales Offices by Area (As of October 31, 2025)

		Kanamoto (non-consolidated)	Consolidated subsidiaries	Non-consolidated subsidiaries	Affiliates	Alliance companies	Total
Domestic	Hokkaido	75	26	0	0	0	101
	Tohoku	53	31	0	0	2	86
	Kanto	45	36	17	1	8	107
	Chubu	22	11	5	3	2	43
	Kinki	8	25	1	1	10	45
	Chugoku	3	15	0	0	0	18
	Shikoku	4	3	0	0	0	7
	Kyushu	5	105	1	0	4	115
	Okinawa	0	0	0	0	12	12
	Overseas	China	0	3	0	0	0
Indonesia		0	0	1	0	0	1
Thailand		0	0	3	0	0	3
Philippines		0	0	0	1	0	1
Vietnam		0	0	3	0	0	3
Malaysia		0	0	1	0	0	1
Australia		0	11	0	0	0	11
Total		215	266	32	6	38	557

Enhancement of Digital Transformation (DX) Strategies

Using IT-based systems to streamline order placement and receipt, we help improve customer productivity.

Promoting Quick Order Rental, a web-based order placement and receipt system available 24 hours a day



Across the Group, we are promoting the wider use of Quick Order Rental, a web-based system that enables the entire process of placing and receiving orders for equipment to be completed online, in order to support greater operational efficiency for customers. This system allows users to check inventory, place orders, request returns, and manage usage history in real time at any time of day from smartphones and PCs. By digitalizing conventional telephone- and fax-based processes, it helps reduce customers' administrative burden and prevent ordering errors. In the Medium-Term Management Plan "Progress 65," we also place importance on improving convenience through the use of IT, and by continuously expanding functions in response to needs at worksites, we will establish a framework for supporting higher customer productivity.

Successful construction test in dead zones using remote control of construction equipment via satellite communication

To ensure safety at worksites and address labor shortages, we conducted a demonstration test jointly with a construction partner using the satellite communications service Starlink and our remote control system KanaTouch. In the test conducted in November 2025, we successfully operated a hydraulic excavator remotely from a cockpit in an office approximately 4 km from the worksite in a dead zone in the mountains where mobile phone signals cannot reach.

By using low Earth orbit satellites, this system enables video transmission with extremely low latency, allowing operators to carry out immersive operations while monitoring conditions such as the inclination of construction equipment. This technology enables construction work to be carried out from a safe location even in harsh environments where it was difficult to establish a communications environment, and it is expected to contribute to improving safety in disaster recovery sites and work at hazardous locations. Going forward, we will continue developing advanced construction solutions that help solve issues at construction sites.



Across the Group, we are using business intelligence (BI) tools to support more advanced operations and improve productivity.

Real-time visibility into rental asset utilization and market trends

As part of our DX initiatives, the Group is implementing unified data for its data analysis platform across the entire organization. We have established an information infrastructure that supports business operations by aggregating and analyzing the utilization of rental assets and market trends at locations throughout Japan. This enables us to examine the optimal allocation of equipment in each region and provide timely feedback for capital investment strategies. By reducing reliance on individual experience, we are pursuing the efficient use of management resources by ensuring objective data. These data-driven initiatives directly improve the accuracy of our sales initiatives and contribute to building a robust management structure capable of responding quickly to changing market conditions.

Creating optimal solutions by combining the IT technologies of Group companies

We are building proprietary digital solutions through collaboration with Group companies that possess highly specialized IT technologies. CACH Inc., which joined the Group in 2024, develops IoT-related devices and software and plays an important role in the use of ICT at construction sites. In addition, IT-specialist teams within the Group, including NISHIKEN SYSTEM SOLUTIONS, support the development and operation of business systems and customer-facing applications that accurately reflect the needs of worksites. By integrating these digital technologies within the Group, we provide high-value-added services that combine construction equipment as hardware with IT technologies as software. Leveraging the diverse technological foundations acquired through M&A and our nationwide network of locations, we are able to provide integrated Groupwide solutions to the diverse issues faced by customers. Through these initiatives, we are strengthening the management foundation that supports both growth and efficiency.



Sustainability Initiatives

ESG Initiatives

The Kanamoto Group strives to create and enhance value founded in a mission to fulfill all of our social responsibilities to find harmony with the environment and society and communicate with our stakeholders.



ESG Management

The Kanamoto Group sees ESG activities as a core management foundation and strives to become an enterprise entrusted with the future as a good corporate citizen coexisting with society.

ESG overview

The Kanamoto Group conducts business for the purpose of becoming an enterprise entrusted with the future as a good corporate citizen coexisting with society. The shareholders, investors, business partners, employees, local communities and many other stakeholders make our business activities possible as it expands overseas. To achieve our mission and foster sustainable growth, the Kanamoto Group must build close and trusting relationships with our stakeholders through proper corporate conduct. We position and practice ESG as a central aspect of Group management.

Contributions to the success of the Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015 are globally shared objectives which at the same time require innovation from the private sector. The Kanamoto Group also recognizes the importance of helping achieve the SDGs through its business activities. We have identified the SDGs most relevant to our Group businesses from these 17 and promote initiatives founded in the priority themes shown in the table on the right toward the success of these objectives.

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.

- 1 We will aim to help combat climate change and other global environmental issues by capitalizing on the unique sharing economy traits of a rental business.
- 2 We will aim to help improve labor conditions throughout society by respecting human rights and consideration toward employee health and work environment.
- 3 We will aim for sustainable and mutual prosperity by engaging in fair and proper business dealings with our partners.
- 4 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.

Priority Themes in ESG

	Priority Themes	Relevant SDGs	Kanamoto Group Activities
Value creation	Businesses contributing to SDGs	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS	Kanamoto products and services will create new value that helps achieve the SDGs and contribute to the development of a sustainable society.
Foundation supporting value creation	E	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	Kanamoto will acknowledge the connection between all of its business activities and the environment, reduce its environmental burden, and preserve biodiversity to realize a sustainable society even with limited global resources by complying with environmental laws and regulations and promoting appropriate environmental management.
	S	10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Kanamoto will practice highly transparent and prompt information disclosure, broaden its disclosure mediums, and enhance IR activities for shareholders and investors in Japan and overseas.
		4 QUALITY EDUCATION, 17 PARTNERSHIPS FOR THE GOALS	Kanamoto will aim to strengthen partnerships with local communities, contribute to arts, culture, and education as well as facilitate better communication.
		3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH	Kanamoto will aim to maintain and improve workplace environments so that all executives and employees can work safely, energetically and with good mental and physical wellbeing.
G	Environment inspiring human resource development	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Kanamoto will aim to build an environment inspiring innovation by ensuring diverse human resources with different perspectives and modes of thinking can each be themselves and fully utilize their skills.
	Corporate governance Compliance Internal control systems Risk management	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Kanamoto will promote and strengthen compliance and corporate governance by acknowledging that corporate governance and compliance are critical management challenges to enhance corporate value.

Sustainability Initiatives

Environmental Activities

Kanamoto will continue efforts to help build a sustainable society in light of the expansion of renewable energy and the global situation.

The rental business, a sharing economy contributing to decarbonization

Japan pledged to aim for carbon neutrality by 2050 in October 2020. In April of the following year, the government then set the specific goal for a 46% reduction of CO₂ emissions by 2030 compared to fiscal 2013. The 7th Strategic Energy Plan, which was approved in February 2025, includes measures to expand renewable energy and strengthen energy security in light of global conditions. Our core Group rental business is in and of itself a sharing economy, which contributes to decarbonization throughout all of society. Even in the manufacturing industry in which Kanamoto regularly purchases construction equipment on an annual basis, construction equipment manufacturers are advancing the development of machines with superior energy-savings, such

as hybrid, ICT, and electric-drive equipment. According to the Japan Construction Equipment Manufacturers Association, the improvement of fuel efficiency in the three major models of equipment (hydraulic excavators, wheel-type loaders, and bulldozers), and development and adoption of energy-saving equipment including hybrid models have been estimated to have the potential to reduce CO₂ emissions to approximately 1.6 million t-CO₂ (levels of CO₂ in 1990) by 2030. The industry is set to reduce the manufacturing energy consumption rate by 17% from the actual achievement of 2013 as a target for CO₂ reductions by 2030, which has accelerated decarbonization efforts throughout the manufacturing industry.

Asset shift to machinery that utilizes eco-friendly technology for decarbonization and other initiatives

We have long been strategically shifting resources toward equipment with exhaust control. Every year, we regularly purchase roughly 3,000 units of equipment complying with exhaust control regulations to replace existing construction equipment. This investment not only optimizes operational processes via efficient vehicle allocation and DX initiatives but also steadily advances decarbonization and other initiatives.

Our efforts are not limited to Kanamoto rental construction equipment. We also actively adopt commercial vehicles certified for high fuel efficiency and low emissions. Kanamoto has been an early adopter of hybrid technology for commercial vehicles since mass production first began, and is consistently upgrading to vehicles with higher fuel efficiency and lower exhaust emissions. Moreover, our branches carry out initiatives to actively use renewable energy via solar power generation systems installed on the building roofs. A transition to renewable energy for in-house power consumption helps reduce CO₂ emissions and secures a supply of power even during power outages resulting from large-scale disasters or other incidents. This helps establish a system for business continuity necessary for disaster response. To achieve decarbonization and realize a sustainable society, Kanamoto must both respond to user



Solar Power Generation System Installed on the Roof of the Kyoto Branch Office

needs and consider environmental conservation. We will always strive to provide a reliable, eco-friendly rental business, actively upgrading equipment to models that take advantage of environmentally-friendly technologies.

Our Environmentally Friendly Products



Clean Energy House

Using clean energy from sunlight allows indoor power to be supplied independently. It can generate power either off-grid (stand-alone) or on-grid (grid-interconnected).

* For more details about our products, please visit our website, etc.

TCFD Initiatives

Kanamoto will enhance information disclosure on climate change based on the TCFD framework

Climate change disclosure (TCFD Disclosure Guidelines)

Kanamoto recognizes its response to environmental issues, including climate change, as one priority management challenge. In July 2021, Kanamoto signed and expressed its support of the Task Force on Climate-Related Financial Disclosure (TCFD)*1 and joined the TCFD Consortium.*2 Even as companies pursue low-and no-carbon efforts and markets flourish, the impact of climate change becomes even more severe from unusual weather to flooding. The social mission of the construction machine rental business aims to prevent and mitigate disasters as well as help recovery after disaster strikes. The rental industry also leverages the unique characteristics of a sharing economy, which aims to maximize the efficient use of construction machinery. Kanamoto will develop this business in a form that will contribute to social initiatives to combat climate change.



Governance

Our Sustainability Committee led by the President as chair with members made up of management and employees deliberates and makes decisions about matters on organizational governance related to climate risks and opportunities. The committee also reports to the Board of Directors. On particularly important policies, the committee also involves the Board of Directors in the discussion and approval process. Each division also incorporates the policies and measures approved by the committee into its business plans. The committee then reviews these business plans and regularly reports to the Board of Directors. Each branch also reports to the Sustainability Committee, which identifies and monitors the energy consumption connected to carbon dioxide emissions, through an established reporting system.

Strategies

Climate risks and opportunities have a real and potential impact on businesses, strategies, and financial plans of the organization. To identify the medium- to long-term impact climate change issues have on our businesses, Kanamoto has analyzed scenarios anticipating the Construction Equipment Rental Business in Japan after 2030. This analysis adopted a scenario assuming a 4°C average temperature rise as well as a 1.5°C to 2°C temperature rise worldwide by 2100 compared to that before the industrial revolution. Each of these scenarios analyzed shifts in government policy and market trends (transition risks and opportunities) and the physical changes (physical risks and opportunities). The main scenarios used for the transition risk and opportunity analysis adopted the International Energy Agency (IEA) State Policy Scenario (STEPS; scenario assuming the current environmental policies announced by each country are reached but do not meet the long-term goals of the COP21 Paris Agreement*3 resulting in a roughly 4°C temperature rise by 2100 due to climate change compared to the temperature before the industrial revolution), the IEA Sustainable Development Scenario (SDS; scenario assuming international cooperation to achieve the long-term goals of the COP21 Paris Agreement sustain a low temperature rise of less than 2°C by 2100 due to climate change compared to the temperature before the industrial revolution), and the IEA Net Zero by 2050 (NZE2050) analysis. The main scenarios used for the physical risk and opportunity analysis adopted the Intergovernmental Panel on Climate Change (IPCC) RCP 8.5 (scenario assuming measures to regulate greenhouse gas emissions are not taken resulting in a 2.6°C to 4.8°C temperature rise compared to the temperature before the industrial revolution), the IPCC RCP 2.6 (scenario assuming mitigation of greenhouse gas emissions suppresses the temperature rise to 0.3°C to 1.7°C compared to the temperature before the industrial revolution), and SR1.5 (Global Warming of 1.5°C).

*1. The Task Force on Climate-Related Financial Disclosures (TCFD) was established based on the request of G20 in 2015 as a task force by the Financial Stability Board (FSB; agency for conducting auditory functions related to international finance composed of members from financial authorities and central banks of each country). To reduce the risk of unstable financial markets, the TCFD advocates companies disclose various information such as the financial impact of climate change risks and opportunities on business activities as well as specific countermeasure and strategies.
 *2. The TCFD Consortium is a group launched by investors and companies that support TCFD disclosure for the purpose of collaborative development and sharing of scenario analyses and techniques to quantify data in each industry.
 *3. 2015 United Nations Climate Change Conference (COP21) held in Paris, France in December 2015 adopted the Paris Agreement as a new international framework to reduce greenhouse gas emissions from 2020 in addition to other environmental initiatives.

Primary Risks, Opportunities, and Countermeasures

	Item	Impact on businesses			Countermeasures	
		Overview	4°C Scenario	2°C/1.5°C Scenario		
Transition	Risk	Adoption of carbon tax	Increasing business costs of carbon taxes	Small	Medium	Transition to eco-friendly equipment promoting energy savings
	Risk	Strengthening of various regulations toward a decarbonized society	Increasing costs and lower demand due to regulations	Small	Large	Transition to eco-friendly equipment promoting energy savings
Transition	Opportunity	Expansion of needs for energy savings and renewable energies	Expansion of environment-related markets (energy savings, ZEB, etc.)	Medium	Large	Proactive support of projects for energy savings and renewable energy
	Risk	Rising temperatures	Increasing costs to respond to environment changes on construction sites, etc.	Large	Large	Stronger solutions utilizing ICT and other technologies
Physical	Risk	Greater severity of natural disasters	Potential of damage as well as rising insurance premiums, freight costs, and other expenditures due to disasters	Medium	Medium	Stronger Business Continuity Plans (BCP) coordinating with suppliers, insurance companies, and other stakeholders
	Opportunity	National resilience initiatives	Growth in demand for national resilience	Large	Large	Stronger sales and marketing of projects building infrastructure
Physical	Opportunity	Shifts in markets due to climate change	New demand generated by climate change measures	Medium	Medium	Stronger sales and market conforming to market trends

Risk management

Our Sustainability Committee led by the President as chair with members made up of management and employees deliberates and makes decisions about methods for the organization to identify, assess, and manage climate risks. The committee also reports to the Board of Directors. On particularly important policies, the committee also involves the Board of Directors in the discussion and approval process. Each division also incorporates the policies and measures approved by the committee into business plans. The committee then reviews these business plans and regularly reports to the Board of Directors. As one aspect of risk management, the committee has not only set targets to reduce carbon dioxide emissions, which are one cause of climate change, but has also established a reporting system to identify and review energy consumption connected to carbon dioxide emissions. Kanamoto not only has a Sustainability Committee but also an Internal Control Committee, Compliance Committee, and Legal Office, which creates the foundation that supports its internal control systems to address climate change and all other business risks.

Index and targets

Kanamoto has set short- to long-term CO₂ reduction targets (total/per unit emissions) up to 2050 and promotes initiatives to reduce CO₂ emissions from its business activities.

Index and Targets

	Index	Target year	Target
Scope 1	Emissions from fuel consumption	2030	50% reduction (compared with 2013)
Scope 2	Emissions from the use of purchased electricity, heat, etc.	2030	50% reduction (compared with 2013)

Note: For Scope 3, we will continue efforts to select relevant categories and establish the necessary framework.

Results

Index	Base year (2013)	FY2023	FY2024	2030 target
Scope 1	6,076 t-CO ₂	6,011 t-CO ₂	6,440 t-CO ₂	3,038 t-CO ₂
Scope 2	5,677 t-CO ₂	4,596 t-CO ₂	4,354 t-CO ₂	2,839 t-CO ₂

Measures toward achieving the target

- Active introduction of hybrid vehicles and electric vehicles for company-owned vehicles to reduce fossil fuel consumption
- Reduction of electricity usage through measures such as switching to energy-saving equipment at company-owned facilities

Social Activities

Efforts in developing and strengthening excellent human resources who are the driving force to achieve sustainable growth

Basic policy for enhancing human capital

Kanamoto Group Human Rights Policy

The Kanamoto Group fulfills its responsibility to respect human rights, a fundamental birthright of all people, throughout its corporate activities. This Policy clarifies the Group's approach to respecting human rights and applies to all Group officers and employees (including full-time, contract, and temporary staff). We also expect our business partners that constitute our supply chain to understand and support this Policy.

(1) Respect for international norms

The Group supports and respects international human rights norms, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Children's Rights and Business Principles, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the United Nations Global Compact.

(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. When internationally recognized human rights standards conflict with local laws, we will pursue ways to uphold those standards.

(3) Respect for human rights

The Kanamoto Group aims to reduce human rights violations to zero in all of its corporate activities. If issues arise unintentionally, we will strive to resolve them promptly. The Group will fulfill its human right responsibilities through the following efforts.

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

(1) Basic Policy

In our construction equipment rental business model, we believe that the added value we can provide to our customers is not from the construction equipment itself, but from each and every employee. Therefore, it is important to increase the value of human capital by thoroughly training human resources and improving their skills. The following two initiatives will serve as fundamental principles that the additional policies listed below will realize.

1. Engagement

The following three action guidelines are at the core of the Group's operations.

- Pursue innovation and mobilize every resource to energize our company
- Always remember Kanamoto competes for profits
- Maintain a self-directed and independent mind

Based on these guidelines, we have been working to improve employee loyalty for many years, and aim to further increase this to an engagement where the Company and employees trust each other.

2. Diversity and inclusion

We will foster a sense of unity that allows us to recognize and accept differences among employees, such as race, nationality, gender, and age.

- Among the 2,018 full-time employees, 22 (1.09%) are non-Japanese nationals
- As of June 2025, the employment rate of persons with disabilities is 3.28% (the statutory rate is 2.5%)
- Among full-time employees, the ratio of new graduates to mid-career hires is 38.6% to 61.4%, and among managerial positions, the ratio is approximately similar at 36.1% to 63.9%

(2) Human Resource Development Policies

- 1. Develop human resources who embody the Kanamoto Corporate Philosophy and Action Guidelines
- 2. Support employees who want to independently acquire skills and certifications
- 3. Expand training programs and encourage exchange outside the Company with the aim of nurturing diverse views and values

(3) In-house Environment Improvement Policies

We will create an environment where employees can work safely with good mental and physical wellbeing

- 1. Strengthen health and safety systems
- 2. Maintain and improve physical and mental health
- 3. Anti-harassment measures

General Employer Action Plan

Kanamoto is committed to building a work-friendly environment where all executives and employees can achieve work-life balance and fully demonstrate their abilities regardless of gender. To this end, we have formulated the following action plan.

Plan and implementation period: From April 1, 2026 to March 31, 2031

Details

Target 1 Target concerning the provision of opportunities in professional life

Expand the active roles of women in the workplace and increase the ratio of female managers from the current 2.2% to 5% or more.

- Measures 1. Actively hire women as managers of sales blocks and branches.
- 2. Strengthen recruitment of women into sales and technical roles and promote retention through enhanced employee training.
- 3. Continue administrative leadership training and upper management training to create career paths for women.

Target 2 Target/items concerning the development of an employment environment that contributes to balancing professional life and family life

Build a workplace where every employee can work over the long term with a sense of satisfaction and raise the annual paid leave utilization rate to 60% or more.

- Measures 1. Continue periodic announcements on internal bulletin boards and other channels, and continue monitoring to encourage planned use of annual paid leave.
- 2. Raise awareness about childcare and nursing care programs to help build a system of mutual understanding and cooperation in the workplace.

Target 3 Items concerning the development of the employment environment

During the plan period, raise the rate of male employees taking childcare leave, etc., to 30% or more.

- Measures 1. Periodically provide information on internal bulletin boards regarding an overview of the childcare leave and related systems and the application procedures.
- 2. When notification is received of a spouse's childbirth, provide an individual explanation of the system and confirm the employee's intention to use it.

Target 4 Items concerning the development of the employment environment

Continue to keep the average total number of hours of statutory overtime work and statutory holiday work per month per full-time employee below 30 hours.

- Measures To ensure the health and welfare of employees, the Human Resources Division will conduct interviews with employees working long hours, ascertain the status of their work duties and working hours, and work to make improvements.

Target 5 Items concerning next-generation development support measures other than 1 above

Continue to cultivate an image of career and employment in local children and students.

- Measures 1. Create opportunities for employees and business partners to interact with children in local communities through various local events.
- 2. Provide job experience opportunities for students and other educational opportunities and work tours through partnerships with schools.

We have set out the following measures to expand human capital investment.

We will expand human capital investment with the aim of improving productivity and establishing a competitive advantage.

- 1. Improved salary levels and engagement to enhance our employee retention rate**
 - Constant raises to salary levels and review of various allowances
 - Clarification of career paths and vitalization of career progression based on screening 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

Sustainability Initiatives

Society

We strive to build relationships of trust and enhance corporate value through dialogue with our stakeholders.

Appropriate disclosure and enhancement of IR activities

Kanamoto knows the importance of an appropriate market evaluation of corporate value through fair, precise, and prompt information disclosure. We strive to not only provide information about management and business conditions as well as corporate activities but also timely and active disclosure of valid information for everyone to understand and assess the Kanamoto Group. Our IR efforts actively focus on presentations at IR events for individual investors, small meetings with institutional investors in Japan, and IR events overseas. We have also put in place systems to consistently communicate with stakeholders, such as by holding financial results briefings and question-and-answer sessions online.

Policy for Promoting Constructive Dialogue with Shareholders and Investors

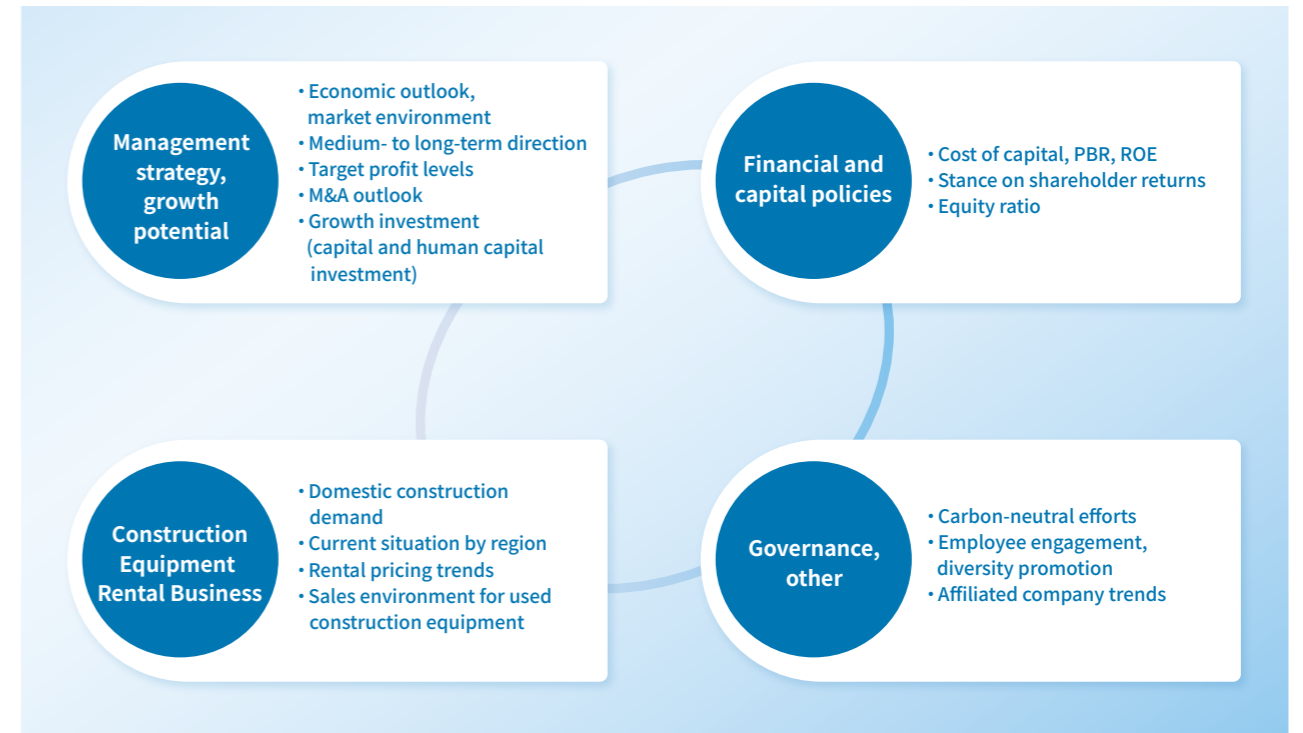
Through two-way communication with shareholders and investors, the Company strives to ensure that information concerning our management condition and operating policies is conveyed accurately and in a timely manner, and that corporate value is maximized. We strive to promote constructive dialogue by responding sincerely to shareholder queries made at the General Meeting of Shareholders or directed to our website. Such responses are made under the supervision of the Board of Directors members responsible for the Administration Division and the Public Relations Office respectively. We also ensure that both departments collaborate closely with relevant departments (such as the Corporate Planning Division, the Accounting Division, and the Legal Office) as required. We also value opportunities for direct dialogue with institutional investors and hold a wide range of meetings—including financial results briefings and IR meetings—both domestically and internationally, with the participation of senior management (the President, Board of Directors, etc.). We report the results of such meetings to the Board of Directors regularly, provide feedback to management, and strive to enhance management efficiency and transparency.

Status of Dialogue with Shareholders and Investors

IR activities		Number of participants		
		FY2023	FY2024	FY2025
Financial results briefings	Full-year	34	41	51
	Interim	28	51	51
IR meetings (total)		104	213	191



Principal Dialogue Themes and Concerns Among Shareholders and Investors



Actions taken in response to dialogue

- Enhancement of IR presentations
- With respect to enhancing PBR, disclosure of awareness of challenges and measures taken in response
- Disclosure of cash allocation policy
- Disclosure of corporate governance-related information
- Disclosure of skill selection reasons for Board of Directors skills matrix etc.

Activities to support local arts, culture, and sports

Kanamoto believes its activities to support arts, culture, and sports help to enhance its corporate value. We provide Providence, a former beer hall owned by Kanamoto, free of charge to Muroran City in Hokkaido as a venue for its Port Literature Museum. Kanamoto has also acquired the naming rights for the Sapporo Civic Hall, where 400,000 people a year attend concerts and take part in life-long learning opportunities. This venue has come to be adored as the Kanamoto Hall. Since 2018, the Kanamoto Group has been an official sponsor of the Hokkaido Nippon-Ham Fighters, and in 2024 it concluded a sponsorship agreement with Loco Solare, a general incorporated association that operates a curling team. In this way, we are working to help vitalize education, culture, and sports in the region.



Former Providence Beer Hall provided to Muroran City in Hokkaido free of charge



Kanamoto Hall (Sapporo Civic Hall) housing a large 1,500-person event hall as well as small, medium and large conference rooms



Manager and players of the Hokkaido Nippon-Ham Fighters, whose home stadium is ES CON FIELD HOKKAIDO



Loco Solare wearing their 2024 season uniform with our company logo on the left knee

Sustainability Initiatives

Governance

Kanamoto Group corporate governance (As of January 22, 2026)

Basic Approach to Corporate Governance

The basic Kanamoto approach to corporate governance is to engage in business activities according to a management philosophy that builds and strengthens trust with shareholders, customers, partner companies and local communities as well as employees and their families, which not only enhances corporate value but also helps realize the sustainable development of our Group. Therefore, we strive to build internal management systems as well as maintain and improve the transparen-

cy and fairness of management. Our basic approach to corporate governance establishes an information cycle for timely information disclosure and feedback to management as well as engages in prompt and precise governance measures. We have also defined the action guidelines below to raise specific awareness throughout the Kanamoto Group about our management philosophy.

1

Pursue innovation and mobilize every resource to energize our company

The external environment around Kanamoto is always changing and will never stop. Our Group must evolve to adapt to these changes and avoid weakness and bankruptcy in the future. Ceaseless self reformation is essential to achieve an ever vibrant organization. Previous success clearly leads to over-confidence. We must quickly put our successes in the past and learn from our mistakes in the pursuit of mental readiness.

2

Always remember Kanamoto competes for profits

The product and service offerings of a company strive to accomplish many things from contributing to society and paying taxes to ensuring stable employment. However, any effort is pointless if the company ceases to exist. Only profit guarantees the survival of a company, and revenue is earned by beating the competition. However, profit should not be earned by any means necessary. Every company and its employees must adhere to compliance as business professionals while never engaging in inappropriate acts as a public entity (company).

3

Maintain a self-directed and independent mind

None of us can rely on others to protect our company and our lifestyles. We must trust in our own abilities to take us leaps and bounds ahead and understand that no one will help us overcome our failures. All of us must be responsible for our actions. The best time to evolve and differentiate oneself from competitors is when the business environment around us is unfavorable.

* Please refer to the Corporate Governance Report for more details on corporate governance.

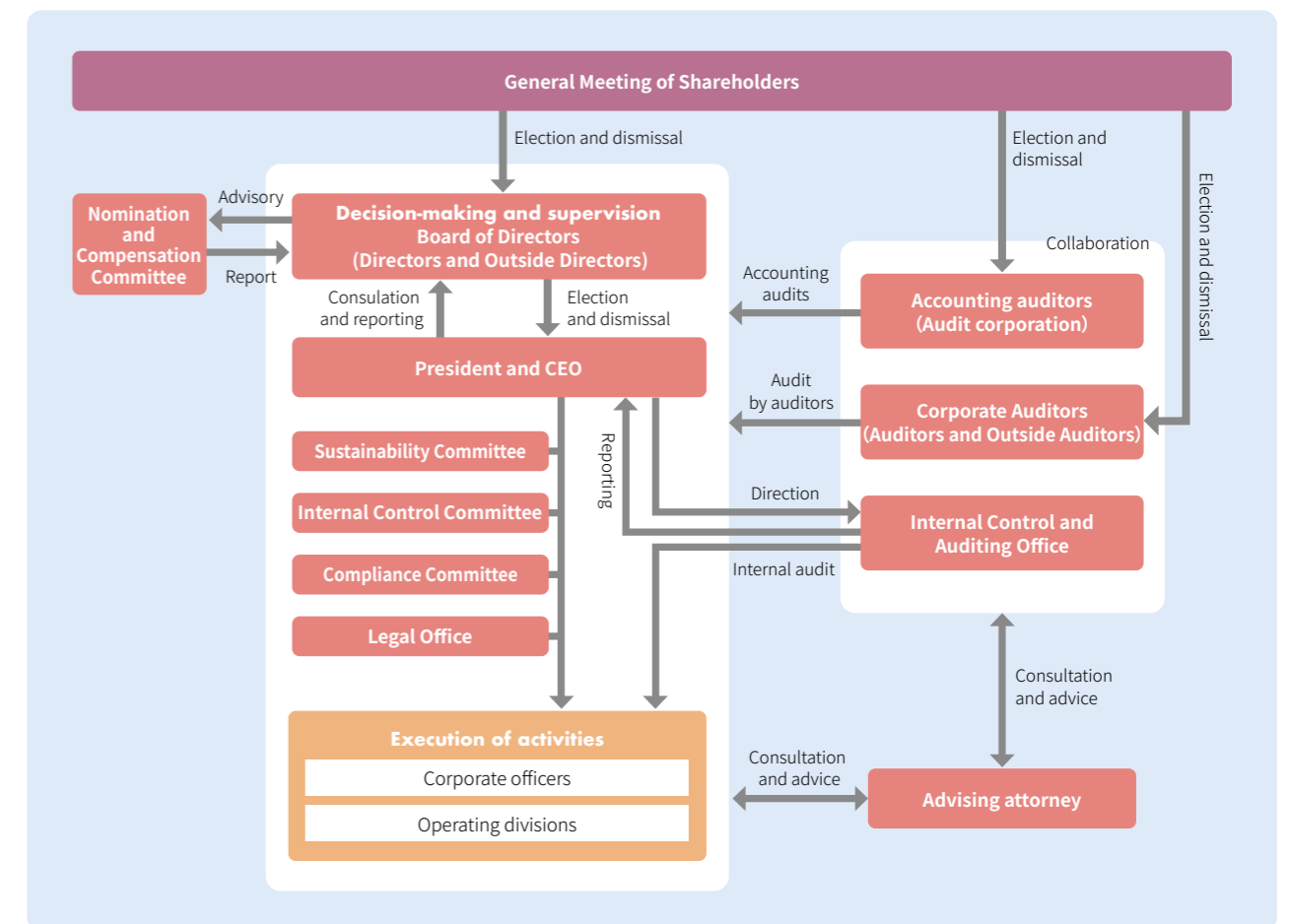
Corporate Governance Structure

Overview and logic behind Kanamoto corporate governance

Corporate governance is the fundamental platform for companies to enhance their social value. Kanamoto and the Kanamoto Group have adopted the various corporate governance systems used today for the purpose of establishing the best and most advanced corporate governance considering the conditions and scale of the organization. We have adopted an outside director system to ensure more efficient and sound management as well as transparency about our decision making. The corporate officer system put in place at Kanamoto also better clarifies supervision and accountability functions. A one-year term for director appointments establishes a flexible management system while the Board of Corporate Auditors has been put in place to execute managerial audits. Currently, three of the six corporate auditors at Kanamoto are outside auditors

and independent officers. The selection of highly independent outside auditors strengthens management supervisory functions and allows us to effectively use functions of auditors, ensuring uncompromising corporate governance. The Board of Directors is composed of seven members who are well versed in Kanamoto Group businesses, and of six highly independent outside directors who bring unique management experience and expertise from other industries, to facilitate rapid and accurate management decision-making.

Kanamoto Corporate Governance Structure



Sustainability Initiatives

Board of Directors

Currently, the Board of Directors is composed of 13 directors, six of whom are outside directors, for broader perspectives in decision-making and oversight of business execution. As the highest decision-making authority on the execution and supervision of management strategies and business plans, the Board of Directors strives to respond quickly to continually evolving business conditions according to rules governing the Board of Directors by not only holding regular Board of Directors meetings but also extraordinary Board of Directors meetings when necessary.

Members of the Board of Corporate Auditors as well as corporate officers (ten members excluding individuals serving concurrently as director) attend these Board of Directors meetings.

Chairman of the Board
Representative Director **Kanchu Kanamoto**

Board members
President and CEO **Tetsuo Kanamoto**,
Director **Tatsuo Kanamoto**, Director **Akira Sannomiya**,
Director **Jun Watanabe**, Director **Shun Hirose**,
Director **Hideaki Yamashita**,
Outside Director **Eiji Arita**, Outside Director **Motoki Yonekawa**,
Outside Director **Ayako Tabata**, Outside Director **Tetsuya Okawa**,
Outside Director **Naomi Shibuya**, Outside Director **Megumi Kawabata**

Board of Corporate Auditors

Kanamoto is a company with a Board of Corporate Auditors. Currently, the Board of Corporate Auditors consists of six corporate auditors, three of whom are outside corporate auditors. All members of the Board of Corporate Auditors regularly attend Board of Directors meetings to oversee the business execution of directors and fulfill supervisory functions while creating an environment where management appropriately exchanges information and shares opinions on a daily basis.

Chairman
Standing Corporate Auditor **Eichu Kanamoto**

Board members
Standing Corporate Auditor **Naoyuki Yokota**,
Standing Corporate Auditor **Kazunori Hashiguchi**,
Outside Corporate Auditor **Noriaki Ikushima**,
Outside Corporate Auditor **Yasushi Ishiwaka**,
Outside Corporate Auditor **Iwao Takeuchi**

Nomination and Compensation Committee

To strengthen the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and corporate officers, and to enhance corporate governance, the Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors. The committee consists of three members, including two outside directors. By ensuring the active involvement of outside directors in matters concerning nominations and remuneration, which fall within the Board of Directors' supervisory authority, we strengthen management oversight.

Chairman
Independent Outside Director **Tetsuya Okawa**

Board members
Independent Outside Director **Eiji Arita**,
President and CEO **Tetsuo Kanamoto**

Corporate officer system

Kanamoto introduced the corporate officer system in 2001 to build a framework that clarifies responsibilities for business execution, enhances dissemination of management policies and other top-down directives, and raises employee awareness about corporate policies. These corporate officers formulate meticulous management strategies to quickly adapt to changes in the market environment as well as ensure comprehensive management of each business division and affiliate company. Currently, Kanamoto has 16 corporate officers, six of whom serve concurrently as director.

Establishment of various committees

Kanamoto has created a system to deal with various management issues by establishing various committees, including the Sustainability Committee, Internal Control Committee, and Compliance Committee.

The Sustainability Committee, chaired by the president, was established for the purpose of building a foundation for sustainable growth, which is part of our Group Vision, and contributing to the development of a sustainable society as a member and good corporate citizen of society. We oversee the activities of the committee by having it report the details of its resolutions to the Board of Directors.

The Internal Control Committee, chaired by the General Manager of the Administration Division, monitors, verifies, evaluates, improves, and rectifies the status of development and operation of internal controls related to financial reporting at Kanamoto and its affiliates, based on the Basic Policy for Constructing an Internal Control System.

The Compliance Committee, chaired by the president, monitors, instructs, and advises the entire company to ensure that the compliance system is properly implemented by collecting important information on legal violations and misconduct as needed, and communicating this to the management team.

About Officer Remuneration

Matters concerning the policy for determining the amount of remuneration, etc., for officers, or the method of calculating such remuneration

Several Kanamoto directors serve concurrently as corporate officers. Kanamoto believes in an approach that clearly separates remuneration for these duties. Director remuneration is fixed remuneration for management decision-making and auditing functions, while corporate officer remuneration reflects a performance-based evaluation, which links the fixed portion of the remuneration with business performance to function as incentives.

The President and Chief Executive Officer with the consent of the Board of Directors has discretion to determine an amount of compensation for each director within the upper limit of remuneration approved at the General Meeting of Shareholders according to an evaluation of each director.

Kanamoto determines fixed remuneration for outside directors according to their role and independence. As for corporate auditors, Kanamoto determines remuneration through deliberation with the Board of Corporate Auditors within the upper limit of remuneration approved at the General Meeting of Shareholders.

The Board of Directors has determined the remuneration for each individual is in line with the relevant decision-making policies.

On September 5, 2025, the Board of Directors resolved to establish a voluntary Nomination and Compensation Committee (effective November 1, 2025) as an advisory body to the Board of Directors, to strengthen the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and corporate officers, and enhance corporate governance. Going forward, remuneration will be determined by the Board of Directors, within the total amount approved by the General Meeting of Shareholders, after obtaining recommendations from the Nomination and Compensation Committee.

A resolution at the 26th General Meeting of Shareholders convened on January 24, 1991 set the upper limit of remunera-

tion for directors at an annual amount of ¥240 million (not including the employee salaries). The number of directors at the conclusion of this General Meeting of Shareholders was nine directors. The 56th General Meeting of Shareholders convened on January 28, 2021 set the upper limit of remuneration provided for under the transfer-restricted stock-based compensation system for directors (excluding outside directors) to no more than ¥100 million annually.

A resolution at the 42nd General Meeting of Shareholders convened on January 26, 2007 set the upper limit of remuneration for corporate auditors at an annual amount of ¥50 million. The number of corporate auditors at the conclusion of the General Meeting of Shareholders this year is two.

President and Chief Executive Officer Tetsuo Kanamoto with the consent of the Board of Directors has discretion to determine an amount of remuneration for individual directors. Kanamoto has given the President and Chief Executive Officer this discretion because it has determined him to be the best person to evaluate the divisions of which each director is in charge.

Kanamoto provides incentives to directors (excluding outside directors; hereinafter eligible directors) for sustainable enhancements of corporate value and a transfer-restricted stock-based compensation system in order to better share value with the shareholders. The eligible directors will receive payment of all monetary compensation claims to be paid as property contributed in-kind to issue or dispose of common company stock based on the approval of the Board of Directors. The monetary compensation claim shall not exceed ¥100 million annually, which equates to the issue or disposal of no more than a total of 50,000 shares in common company stock. Moreover, the Board of Directors shall determine the specific payment period and allocation of payment to each eligible director.

Total remuneration and other compensation by officer classification, total amount by type of remuneration and other compensation, and eligible number of officers

Officer Classification	Total Remuneration and Other Compensation (Millions of yen)	Total Amount by Type of Remuneration and Other Compensation (Millions of yen)				Number of Eligible Officers (Persons)
		Fixed remuneration	Performance-based compensation	Retirement benefits	Non-monetary remuneration, etc. from compensation included on the left	
Directors (excluding outside directors)	133	133	—	—	16	8
Corporate Auditors (excluding outside corporate auditors)	26	26	—	—	—	2
Outside Corporate Officers	11	11	—	—	—	6

Note: Breakdown of the total non-monetary remuneration, etc. for directors (excluding outside directors) is fixed remuneration of ¥16 million.

Material salaries paid to corporate officers serving concurrently as employees

Total (Millions of yen)	Number of Eligible Officers (Persons)	Details
82	5	Amount paid as employee salaries

Sustainability Initiatives

Matters Related to Internal Control System

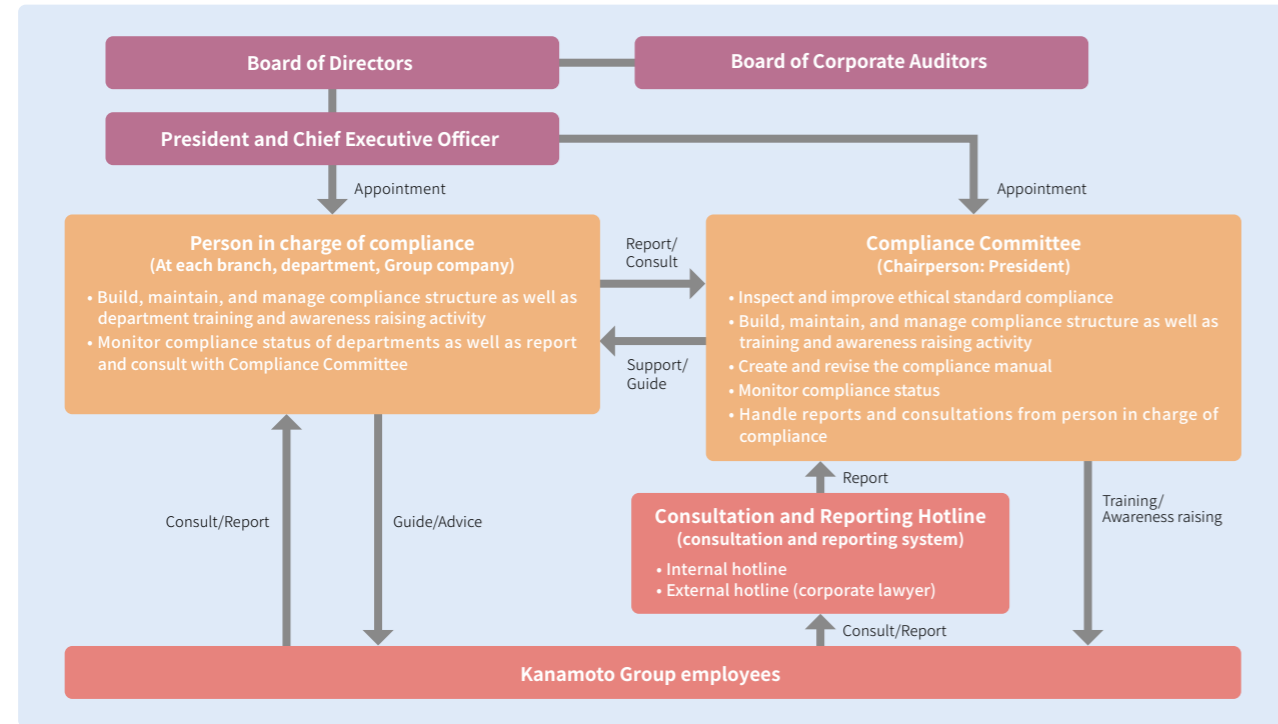
Basic approach and system

As its internal control system, Kanamoto has established an Internal Control and Auditing Office that evaluates, improves and when necessary rectifies the status of compliance with the Company's internal procedures and rules and with laws and regulations relating to all business activities, the status of branch administration, and the operation and effectiveness of Kanamoto's internal controls pertaining to financial reporting including consolidated subsidiaries, a Legal Office that addresses legal affairs-related issues, a Compliance Committee chaired by Kanamoto's President and CEO, and an Internal Control Committee headed by the Administration Division General Manager, which together comprise an organization corresponding to an internal controls system. Kanamoto's Basic Policy for Establishment of an Internal Controls System is provided below.

■ System to ensure directors and employees comply with laws and the Articles of Incorporation in the execution of their duties

Kanamoto and its subsidiaries have prepared Ethics Guidelines as part of the Corporate Philosophy, and use these as the Company standard for compliance. Under the Compliance Committee chaired by Kanamoto's President and CEO, the Company has disseminated these guidelines throughout the Company and established a system for compliance with laws and the Ethics Guidelines, and has prepared a handbook summarizing Kanamoto's Corporate Philosophy and employee conduct standards, which it distributes to all executives and regular employees to increase compliance awareness. As a consultation and reporting system, Kanamoto also has set up in-house and external compliance hotlines, and created a system to resolve problems quickly when consultations or reports are received directly from employees and other individuals, while strictly observing confidentiality and ensuring that individuals who report problems do not suffer any disadvantages. Furthermore, the Company has established a Legal Office reporting directly to the president, to act as an advisory panel for important legal issues, and a system to enable the Company to give proper legal consideration to all decision making.

▶ Kanamoto Group Compliance Structure



■ System for preserving and managing information concerning the execution of directors' duties

Kanamoto retains documents and various information in accordance with laws and ordinances and its internally established document administration regulations and document retention rules. Information is controlled in accordance with internal information management regulations and general data management rules, and personal data are administered in accordance with the Kanamoto Rules on Personal Data Protection and the Company's personal data protection manual.

■ Rules and other systems concerning management of loss risk

Kanamoto and its subsidiaries have established mechanisms to recognize and evaluate risks related to the business activities of each division, and prepared systems to avoid such risks. This has created a system capable of clarifying the authority and responsibilities of each division, supervising risk management conditions throughout the organization under the Board of Directors and discovering new risks. If unforeseen circumstances have occurred that will have a serious effect on the company's operations, or if there is concern such circumstances might occur, the Company and its subsidiaries will respond appropriately, and take measures to prevent a recurrence, based on its Emergency Response Manual (Contingency Plan).

■ System for ensuring efficient execution of directors' duties

In addition to its regular Board of Directors meetings, Kanamoto and its subsidiaries hold extraordinary Board of Directors meetings from time to time as necessary to decide important matters and to make flexible decisions concerning the execution and supervision of management strategies and the Company's business plans. The Company's Board of Directors receives reports on important matters including the financial condition and other matters of the Company's subsidiaries. For its management plan, the Company establishes budgets for the next business fiscal year and medium-term future, which gives the managers of each division the Company's overall objectives based on specific numerical targets. Each division sets division-wide objectives, and executes progress management and specific measures aimed at achieving its goals. Kanamoto has also introduced the corporate officer system to accelerate management decision-making and clarify supervisory authority and responsibility for plan execution, and each corporate officer is responsible for achieving the management plan approved by the Board of Directors. To respond quickly to the severe pace of change in its management environment, the Company has also shortened the directors' term of office to one year.

■ System to ensure appropriate activities at Kanamoto and within the corporate group comprised of the parent company and subsidiaries

To ensure Kanamoto's Ethics Guidelines are applied consistently across the entire Kanamoto Group, the Company has expanded the scope of the Compliance Committee, along with its consultation and reporting systems, to include all Group companies. This step strengthens the overall effectiveness of the Group's compliance activities. In addition, in accordance with the provisions of the Financial Instruments and Exchange Act, the Company and its affiliates maintain an excellent management environment, and work to strengthen company-wide internal controls, internal controls pertaining to settlement of accounts financial reports and operating process control activities, create internal control systems that enable the Company to make proper and effective assessments and conduct appropriate operations. Furthermore, under Kanamoto's internal management system concerning financial reporting, each organization (or individual) has affirmed the following roles.

- (1) Managers have the final responsibility for all of the organization's activities, and prepare and implement internal controls based on this basic policy.
- (2) The Board of Directors has supervisory responsibility for the preparation and operation of the managers' internal controls, and monitors and supervises managers to ensure the financial reporting and internal controls are executed properly.
- (3) The auditors monitor and verify the financial reporting and preparation and operation of the internal controls from an independent standpoint.
- (4) The Internal Control and Auditing Office objectively evaluates from an independent standpoint, the effectiveness of the internal controls related to financial reporting at Kanamoto and its affiliated companies on behalf of the Company's managers in accordance with the audit rules, and when necessary makes proposals concerning improvements and corrections and reports to the managers and Board of Directors.

■ System for directors and employees to report to the auditors, other systems concerning reports to auditors, and other systems to ensure audits are performed effectively














To perform audits of the directors, the Company's auditors attend the meetings of the Board of Directors, and also attend important meetings and committees, in order to understand other important decisions and the circumstances of execution of the Company's business activities. If the directors and employees of Kanamoto and its subsidiaries discover facts that might cause the Company considerable harm, they are to report immediately to the auditors. The standing auditors will circulate a report and request for managerial decision, and if necessary can request explanations from the directors and employees. Those who reported to the auditors shall not be treated unfavorably on the grounds of giving such report. The auditors also meet regularly with the president and representative director, to exchange opinions concerning issues the Company should address and important audit matters. After audits are completed, the Internal Control and Auditing Office promptly submits an Auditors' Report concerning the audit results to the president and representative directors and the auditors. The auditors and the Internal Control and Auditing Office also exchange information and cooperate in other ways with outside specialists, including the accounting auditors and the Company's attorneys.

Sustainability Initiatives







Board of Directors (As of February 1, 2026)

Note 1: Asterisk indicates directors who hold the additional post of corporate officer.
 Note 2: Double asterisk indicates directors who hold the additional post of senior corporate officer.
 Note 3: Some of the job titles have been omitted.

Directors

 Kanchu Kanamoto Chairman of the Board and Representative Director	 Tetsuo Kanamoto* President and CEO Executive Division Manager, Business Coordination Headquarters	 Tatsuo Kanamoto** General Manager, Steel Sales Division
 Akira Sannomiya** Division Manager, Human Resources Division President and CEO Kanatech Co., Ltd.	 Jun Watanabe** Division Manager, Construction Equipment Rental Division Division Manager, Customer Specific Equipment Sales Division Regional Manager, Construction Equipment Rental Division Tohoku Region, Division Manager, Used Products Sales Division President and CEO KG Flowtechno Co., Ltd.	 Shun Hirose** Division Manager, Accounting Division General Manager, Public Relations Office General Manager, Bill Collection Center
 Hideaki Yamashita** Division Manager, Overseas Business Division	 Eiji Arita Outside Director	 Motoki Yonekawa Outside Director
 Ayako Tabata Outside Director	 Tetsuya Okawa Outside Director	 Naomi Shibuya Outside Director
 Megumi Kawabata Outside Director		

Auditors

 Eichu Kanamoto Standing Corporate Auditor	 Naoyuki Yokota Standing Corporate Auditor	 Kazunori Hashiguchi Standing Corporate Auditor
 Noriaki Ikushima Outside Corporate Auditor	 Yasushi Ishiwaka Outside Corporate Auditor	 Iwao Takeuchi Outside Corporate Auditor

Skill Matrix

Name	Corporate management	Dialogue with capital markets	Rental business and industry knowledge	Global business	Finance and accounting	Legal and compliance	Sales and marketing
Kanchu Kanamoto	●	●	●	●	●	●	
Tetsuo Kanamoto	●	●	●	●		●	●
Tatsuo Kanamoto	●		●				●
Akira Sannomiya			●				●
Jun Watanabe			●				●
Shun Hirose		●		●	●	●	●
Hideaki Yamashita				●	●	●	●
Eiji Arita	●		●		●		●
Motoki Yonekawa	●						
Ayako Tabata					●	●	
Tetsuya Okawa					●	●	
Naomi Shibuya			●		●		●
Megumi Kawabata				●	●	●	

Note: Not intended as an exhaustive representation of each individual's knowledge and experience.

Corporate Officers

Hideki Nakaya Senior Corporate Officer General Manager, Internal Control and Auditing Office	Seiichi Tanaka Senior Corporate Officer General Manager, DX Strategy Office President and CEO NISHIKEN CO., LTD.	Mitsuo Watanabe Senior Corporate Officer President and CEO Unite Co., Ltd.	Takashi Onoda Senior Corporate Officer Division Manager, Administration Division General Manager, Secretary Office	Yasuhito Fujiwara Senior Corporate Officer General Manager, Affiliated Business Office General Manager, Business Development Office
Hiroshi Kumagai Corporate Officer Division Manager, Information System Division	Nobuyuki Sato Corporate Officer Division Manager, Corporate Planning Division	Keiji Yamane Corporate Officer Regional Manager, Construction Equipment Rental Division Kyushu Region Division Manager, Specialized Equipment Engineering Division	Toru Ito Corporate Officer Division Manager, Business Administration Division	Mitsuru Nakai Corporate Officer Regional Manager, Construction Equipment Rental Division West Japan Region

Financial Section

Report of Operating Results and Financial Position for the 61st Fiscal Year (November 1, 2024 – October 31, 2025)

Matters Concerning the Corporate Group

● Business progress and results

During the fiscal year under review, the Japanese economy continued on a moderate recovery trend, supported by improvements in the employment and income environment. However, the outlook for the economy remains uncertain due to ongoing price increases, geopolitical risks, and the impact of U.S. trade policies.

In the construction industry, in which the Group is involved, public investment remained firm, and private capital investment showed signs of recovery against the backdrop of solid corporate earnings. On the other hand, elevated construction material prices and a prolonged shortage of skilled construction workers continue, and the operating environment surrounding the industry remains severe.

In such circumstances, the Group has steadily advanced the three priority measures of “Growth strategies and improvement of capital efficiency,” “Enhancement of DX strategies,” and “Sustainability initiatives” under the Medium-Term Management Plan “Progress 65” (FY2025–FY2029), working to expand a sustainable earnings base.

Consequently, in the fiscal year ended October 31, 2025, the Group reported net sales of ¥213,266 million, an increase of 2.9% year on year. Operating profit was ¥17,369 million, an increase of 19.2% year on year, ordinary profit was ¥17,951 million, an increase of 18.0% year on year, and profit attributable to owners of parent was ¥10,977 million, an increase of 21.8% year on year.

● Summary of consolidated operating results by business segment

Construction Equipment Rental Business

In the Construction Equipment Rental Business, our core business, demand for construction machinery rental remained firm, although demand trends varied by region, supported by the continuation of public works projects and progress in urban redevelopment projects.

The Group also promoted initiatives to improve operating efficiency and enhance sales processes to increase profitability, while optimizing sales tools to align with client needs, thereby advancing the development of a framework to support further business growth.

As a result, sales by region in this business were up 5.2% in the Hokkaido Region, down 4.6% in the Tohoku Region, up 6.2% in the Kanto & Koshinetsu Region, up 8.0% in the West Japan Region, and up 2.4% in the Kyushu & Okinawa Region.

Used construction equipment sales increased 7.8% year on year, as Kanamoto proceeded with sales in accordance with the initial plan while carrying out the extension of the rental equipment operation period. Reflecting these factors, the Group posted net sales in the Construction Equipment Rental Business of ¥190,225 million, an increase of 3.3% year on year, and operating profit of ¥15,860 million, an increase of 22.6% year on year.

Other businesses

Although results varied by business in the Steel Product Sales, Information Products Rental, and Welfare-related Business, overall performance was generally in line with projections. Net sales totaled ¥23,040 million (down 0.0% year on year), and operating profit was ¥941 million (down 13.6% year on year).

Consolidated Operating Results

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Net sales	207,218 (4.9)	213,266 (2.9)
Operating profit	14,569 (21.8)	17,369 (19.2)
Ordinary profit	15,218 (21.9)	17,951 (18.0)
Profit attributable to owners of parent	9,013 (34.1)	10,977 (21.8)
Net income per share	¥253.72	¥314.15

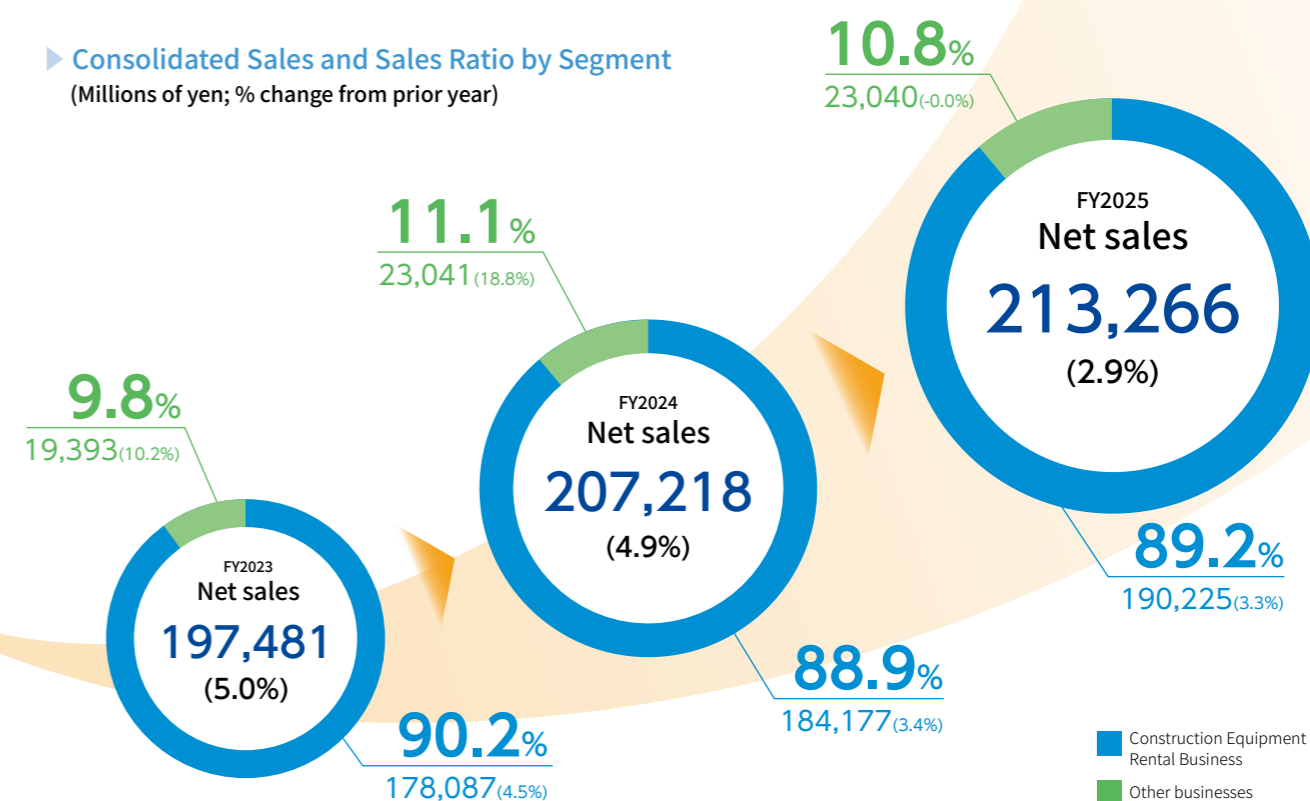
(Millions of yen; % change from prior year)

Divisional Sales (Consolidated)

	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Construction Equipment Rental Business	184,177 (3.4)	190,225 (3.3)
Other businesses	23,041 (18.8)	23,040 (-0.0)
Total	207,218 (4.9)	213,266 (2.9)

(Millions of yen; % change from prior year)

▶ Consolidated Sales and Sales Ratio by Segment (Millions of yen; % change from prior year)



● Forecast for the 62nd fiscal year (ending October 31, 2026)

Regarding the outlook for the next fiscal year, the construction market is expected to remain firm, supported by continued public investment driven by national resilience initiatives, disaster prevention and mitigation measures, responses to aging infrastructure, and progress in defense-related projects. In the private sector, urban redevelopment, data center development, supply chain strengthening, and carbon-neutrality-related investments are expected to continue, and corporate capital investment appetite is expected to steadily increase against the backdrop of progress in DX and GX. Based on these public and private investment conditions, construction investment is forecast to remain solid.

However, constraints on the supply side—such as persistently high construction material and energy prices, tight labor supply and demand, and responses to overtime work regulations in the construction industry—are expected to continue, requiring careful assessment of the business environment. Although firm demand is anticipated in the construction

machinery rental market, rapid expansion in demand is expected to be limited in light of these supply constraints.

Under these circumstances, the Group will continue to promote initiatives to achieve the targets of the Medium-Term Management Plan (FY2025–FY2029), while focusing on effective asset investment and strengthening management systems, and will continue measures to improve utilization rates. In addition, we will work to provide high-quality services and enhance added value by developing and introducing technologies that address labor-saving and efficiency improvements at worksites, as well as safety and environmental measures, and by actively participating in business alliances.

Through the above measures, for the fiscal year ending October 31, 2026, the Group aims for net sales of ¥221.0 billion, a growth of 3.6%; and on the earnings front, it aims for operating profit of ¥18.7 billion, a growth of 7.7%; ordinary profit of ¥18.9 billion, a growth of 5.3%; and profit attributable to owners of parent of ¥11.4 billion, a growth of 3.9%.

Projected Operating Results for the 62nd Fiscal Year (ending October 31, 2026)

	Consolidated full-year projection
Net sales	221,000 (3.6)
Operating profit	18,700 (7.7)
Ordinary profit	18,900 (5.3)
Profit attributable to owners of parent	11,400 (3.9)
Net income per share	¥331.78

(Millions of yen; % change from prior year)

Consolidated Financial Statements

Consolidated Statements of Income

Millions of yen	Current consolidated fiscal year (November 1, 2024 – October 31, 2025)
Net sales	213,266
Cost of sales	148,199
Gross profit	65,067
Selling, general and administrative expenses	47,698
Operating profit	17,369
Non-operating income	1,225
Interest income and dividends	510
Insurance claim income	82
Rent income	70
Temporary transfer charges income	61
Foreign exchange gains	103
Reversal of allowance for doubtful accounts	85
Other	310
Non-operating expenses	643
Interest expenses	270
Loss on cancellation of lease	34
Waste disposal costs	88
Other	249
Ordinary profit	17,951
Extraordinary income	39
Gain on sale of fixed assets	28
Gain on sale of investment securities	10
Extraordinary loss	728
Impairment losses	188
Loss on sale and retirement of noncurrent assets	512
Loss on liquidation of subsidiaries and associates	27
Profit before income taxes	17,262
Income taxes - current	5,828
Income taxes - deferred	(305)
Profit	11,740
Profit attributable to non-controlling interests	762
Profit attributable to owners of parent	10,977

Consolidated Balance Sheets

Millions of yen	Current consolidated fiscal year (As of October 31, 2025)	Millions of yen	Current consolidated fiscal year (As of October 31, 2025)
Assets		Liabilities	
Current assets	130,835	Current liabilities	84,965
Cash and deposits	61,110	Notes and accounts payable - trade	13,251
Notes and accounts receivable - trade and contract asset	40,670	Electronically recorded obligations - operating	17,892
Electronically recorded monetary claims - operating	10,012	Short-term loans payable	17,690
Merchandise and finished goods	1,217	Lease liabilities	1,699
Raw materials and supplies	1,650	Income taxes payable	3,469
Construction machine parts	12,996	Provision for bonuses	1,851
Other	3,402	Accounts payable - other	23,519
Allowance for doubtful accounts	(225)	Other	5,592
Total non-current assets	193,253	Non-current liabilities	81,659
Property, plant and equipment	170,668	Long-term borrowings	37,418
Rental equipment, net	106,187	Lease liabilities	3,298
Buildings and structures, net	20,861	Long-term accounts payable - other	37,689
Machinery, equipment and vehicles, net	2,354	Retirement benefit liability	345
Tools, furniture, and fixtures	739	Asset retirement obligations	726
Land	40,046	Deferred tax liabilities	2,040
Lease assets	161	Other	141
Construction in progress	316	Total liabilities	166,625
Intangible assets	3,888	Net Assets	
Goodwill	1,897	Shareholders' equity	139,891
Customer relationship	1,073	Share capital	17,829
Other	917	Capital surplus	19,680
Investments and other assets	18,696	Retained earnings	111,992
Investment securities	13,719	Treasury shares	(9,610)
Deferred tax assets	1,301	Accumulated other comprehensive income	7,337
Long-term loans receivable	1,341	Valuation difference on available-for-sale securities	4,824
Other	2,602	Foreign currency translation adjustment	2,545
Allowance for doubtful accounts	(266)	Remeasurements of defined benefit plans	(31)
Total assets	324,088	Non-controlling interests	10,233
		Total net assets	157,463
		Total liabilities and net assets	324,088

Corporate Profile (As of October 31, 2025)

Company Name

Kanamoto Co., Ltd.

Head Office

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

Tokyo Head Office

1-7-7, Shiba Daimon, Minato-ku, Tokyo 105-0012
Japan

Established

October 28, 1964

Capitalization

¥17,829 million (Paid-in capital)

Listing Exchanges

Tokyo Stock Exchange, Prime Market
Sapporo Securities Exchange

Stock Code

9678

Common Shares Issued and Outstanding

38,742 thousand

Consolidated Net Sales

¥213,266 million (Fiscal year ended October 31, 2025)

Number of Employees

(Excluding directors and temporary or part-time workers)

Non-consolidated: 2,001

Consolidated: 3,933

Principal Businesses

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

Principal Shareholders

The Master Trust Bank of Japan, Ltd. (Trust Account)
Custody Bank of Japan, Ltd. (Trust Account)
STATE STREET BANK AND TRUST COMPANY 505223
ORIX Corporation
Kanamoto Capital Company
The Hokkaido Bank, Ltd.
North Pacific Bank, Ltd.
Ueda Yagi Tanshi Co., Ltd.
Tokio Marine & Nichido Fire Insurance Co., Ltd.
SMBC Nikko Securities Inc.
Others

Alliance Group

Assist Co., Ltd.
Kanatech Co., Ltd.
Kanki Co., Ltd.
KG Flowtechno Co., Ltd.
CENTRAL Co., Ltd.
SOOKI HOLDINGS Co., Ltd.
SOOKI Co., Ltd.
Toyo Industry Co., Ltd.
NISHIKEN CO., LTD.
Unite Co., Ltd.
KANAMOTO AUSTRALIA HOLDINGS PTY LTD
MADICA PTY LTD
PORTER EXCAVATIONS PTY. LTD.
PORTER GROUP NOMINEES PTY LTD
PORTER UTILITIES HOLDINGS PTY LTD
PORTER UTILITIES PTY LTD
KANAMOTO (CHINA) INVESTMENT CO., LTD.

CACH Inc.
Carewell Anshin Co., Ltd.
Komatsu Doboku Tsusho Co., Ltd.
Safety Ishikawa Co., Ltd.
SOOKI SALES Co., Ltd.
NISHIKEN SYSTEM SOLUTIONS CO., LTD.
KANAMOTO FECON RENTAL JSC
KANAMOTO & JP NELSON EQUIPMENT (M) SDN. BHD.
PT KANAMOTO INDONESIA
SIAM KANAMOTO CO., LTD.
SK ADMINISTRATION SERVICE (THAILAND) CO., LTD.

TOYU ENGINEERING CO., LTD.
MEIGI ENGINEERING CO., LTD.
KNK MACHINERY & EQUIPMENT CORPORATION

SIC Agora eX Corporation
SUGAKIKAI KOGYO CO., LTD.
Machida Kikou Co., Ltd.

Stock Information (As of October 31, 2025)

Stock information

Listing exchanges	Tokyo Stock Exchange, Prime Market Sapporo Securities Exchange
Stock code	9678
Common shares issued and outstanding	38,742 thousand
Fiscal year	From November 1 to October 31
Regular General Meeting of Shareholders	During January
Date of record with respect to voting rights at a regular General Meeting of Shareholders	October 31
Date of record for distribution of interim dividends	April 30
Date of record for distribution of year-end dividends	October 31
Method of public notice	Kanamoto's website, Nihon Keizai Shinbun*

*Public notices of Kanamoto Co., Ltd. will be released on Kanamoto's website (<https://www.kanamoto.co.jp> and <https://www.kanamoto.ne.jp>). When the Company cannot make electronic notification because of unavoidable reasons, the public notices of the Company will be published in the Nihon Keizai Shinbun.

Transfer agent

Mitsubishi UFJ Trust and Banking Corporation

Administrative office

Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Division
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212 Japan

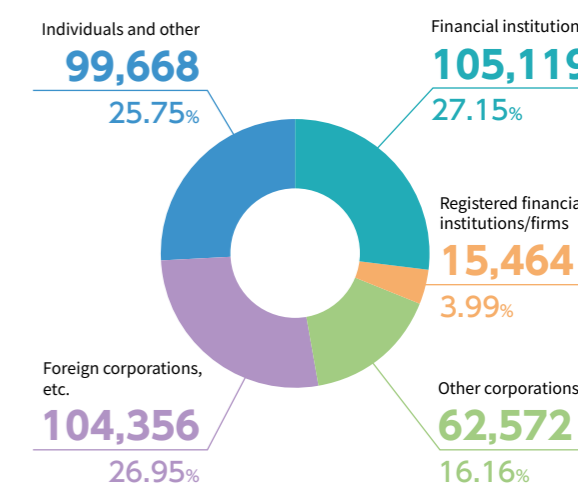
Mailing address and telephone number

Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Division
New Tokyo Post Office P.O. Box No. 29 137-8081 Japan
TEL : 0120-232-711

Summary of common stock

Number of shares issued	38,742,241
Total number of shareholders	7,117

Distribution of shares by shareholder type (Trading units)



Note 1: Treasury stock shares of 3,917,064 shares are included under "Individuals and other" as 39,170 units and under "Shares Less Than One Unit" as 64 shares.

Note 2: The "Other corporations" and "Shares Less Than One Unit" columns include shares registered in the name of the Japan Securities Depository Center, Inc., amounting to 42 units and 10 shares, respectively.

Note 3: One unit consists of 100 shares.

Share price chart

