



# Fiscal Year ended October 31, 2022

## Financial Statements Bulletin (Japan GAAP)

December 9, 2022

Listed Company Name **Kanamoto Co., Ltd.**  
 Company Code Number **9678**  
 Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**  
 URL <https://www.kanamoto.co.jp>  
 Representative **Tetsuo Kanamoto** President and CEO  
 Inquiries **Shun Hirose** Director & Corporate Officer, Division Manager,  
 Accounting Division  
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Scheduled date for Regular General Meeting of the Shareholders January 26, 2023  
 Scheduled date for commencement of dividend payments January 27, 2023  
 Scheduled date for submission of Annual Securities Report January 26, 2023  
 Preparation of Supplementary Explanatory Materials: Yes  
 Earnings Briefings (For institutional investors and analysts): Yes

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

### 1. Consolidated Operating Results for the Fiscal Year ended October 31, 2022

(November 1, 2021 – October 31, 2022)

#### (1) Consolidated Operating Results

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2022	188,028	-	13,229	-9.5	13,780	-10.5	8,345	-6.3
Fiscal year ended October 31, 2021	189,416	5.8	14,624	2.6	15,391	7.9	8,907	5.2

(Note) Comprehensive income (millions of yen)

Fiscal year ended October 31, 2022	10,676	(-4.5%)
Fiscal year ended October 31, 2021	11,174	(25.1%)

	Earnings per Share	Earnings per Share on a Fully Diluted Basis	ROE	Ordinary Profit to Total Assets	Operating Margin
	Yen	Yen	%	%	%
Fiscal year ended October 31, 2022	224.64	-	6.4	4.5	7.0
Fiscal year ended October 31, 2021	235.55	-	7.2	5.1	7.7

(Reference) Investment profit or loss accounted for by the equity method (millions of yen)

Fiscal year ended October 31, 2022	-
Fiscal year ended October 31, 2021	-

(Note) The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended October 31, 2022, and the figures for the fiscal year ended October 31, 2022 are figures after the application of the said accounting standard. As a result, the percentage of change for net sales from the previous year is not shown.

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2022	305,320	140,611	43.2	3,571.98
As of October 31, 2021	303,754	134,917	41.8	3,357.10

(Reference) Equity (millions of yen)

As of October 31, 2022	131,958
As of October 31, 2021	126,956

(Note) The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended October 31, 2022, and the figures as of October 31, 2022 are figures after the application of the said accounting standard.

### (3) Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended October 31, 2022	33,158	-11,331	-30,893	47,047
Fiscal year ended October 31, 2021	39,351	-3,373	-28,794	55,557

### 2. Dividends

	Annual Dividends per Share					Dividends in Total (Full Year)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Full-year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2021	-	25.00	-	45.00	70.00	2,647	29.7	2.2
Fiscal year ended October 31, 2022	-	35.00	-	40.00	75.00	2,770	33.4	2.2
Fiscal year ending October 31, 2023 (projected)	-	35.00	-	40.00	75.00		32.3	

### 3. Projected Consolidated Operating Results for the Fiscal Year Ending October 31, 2023

(November 1, 2022 - October 31, 2023)

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	96,700	3.2	6,200	-12.7	6,200	-16.9	3,600	-20.7	98.78
Full year	198,000	5.3	14,000	5.8	14,100	2.3	8,400	0.7	231.87

(Note) At a meeting of the Board of Directors held on December 9, 2022, the Company resolved to acquire its own shares, and the "Earnings per Share" in the projected consolidated operating results for the fiscal year ending October 31, 2023 takes into account the impact of this acquisition of own shares.

Notes

- (1) Changes in material subsidiaries during the period under review (changes in specific subsidiaries in conjunction with a change in the scope of consolidation): No
  
- (2) Changes in accounting principles, changes in accounting estimates and retrospective restatements
  - (a) Changes in accounting policy in conjunction with revision of accounting standards: Yes
  - (b) Changes other than the above: No
  - (c) Changes in accounting estimates: No
  - (d) Retrospective restatements: No
  
- (3) Number of shares issued (common shares)
  - (a) Number of shares outstanding at the end of the period (including treasury shares)
    - As of October 31, 2022: 38,742,241 shares
    - As of October 31, 2021: 38,742,241 shares
  - (b) Number of treasury shares at the end of the period
    - As of October 31, 2022: 1,799,490 shares
    - As of October 31, 2021: 924,846 shares
  - (c) Average number of shares outstanding during the period
    - Fiscal year ended October 31, 2022: 37,148,669 shares
    - Fiscal year ended October 31, 2021: 37,813,895 shares

## (Reference) Summary of Non-Consolidated Operating Results

### 1. Non-Consolidated Operating Results for the Fiscal Year Ended October 31, 2022

(November 1, 2021 – October 31, 2022)

#### (1) Non-Consolidated Operating Results

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2022	115,714	-	6,462	-13.9	7,454	-12.0	4,959	-8.0
Fiscal year ended October 31, 2021	117,687	-0.8	7,503	-8.2	8,471	-2.7	5,392	-7.9

	Earnings per Share		Earnings per Share on a Fully Diluted Basis	
	Yen		Yen	
Fiscal year ended October 31, 2022	133.50		-	
Fiscal year ended October 31, 2021	142.61		-	

(Note) The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended October 31, 2022, and the figures for the fiscal year ended October 31, 2022 are figures after the application of the said accounting standard. As a result, the percentage of change for net sales from the previous year is not shown.

#### (2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2022	226,854	107,392	47.3	2,906.99
As of October 31, 2021	229,544	107,480	46.8	2,842.10

(Reference) Equity (millions of yen)  
As of October 31, 2022 107,392  
As of October 31, 2021 107,480

(Note) The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended October 31, 2022, and the figures as of October 31, 2022 are figures after the application of the said accounting standard.

### 2. Projected Non-Consolidated Operating Results for the Fiscal Year Ending October 31, 2023

(November 1, 2022 - October 31, 2023)

(Percentages show the change from prior year)

	Net Sales		Ordinary Profit		Profit		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	56,600	-1.3	2,700	-28.6	1,800	-29.4	49.39
Full year	118,900	2.8	7,900	6.0	5,300	6.9	146.30

(Note) At a meeting of the Board of Directors held on December 9, 2022, the Company resolved to acquire its own shares, and the "Earnings per Share" in the projected consolidated operating results for the fiscal year ending October 31, 2023 takes into account the impact of this acquisition of own shares.

Note: Financial results reports are not required to be audited by certified public accountants or an audit corporation.

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

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee the achievement of the projections. Actual operating results may differ substantially due to a number of factors.

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

The Company plans to hold an online meeting for institutional investors and analysts on Monday, December 12, 2022. Following the meeting, the Company will upload the meeting highlights and discussion (voice recording) on the Company's website as quickly as possible, together with the Earnings Briefings materials used that day.

## Consolidated Financial Statements and Significant Notes Thereto

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2021	As of October 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	56,093	47,565
Notes and accounts receivable - trade	39,305	-
Notes and accounts receivable - trade, and contract assets	-	38,452
Electronically recorded monetary claims - operating	7,319	8,025
Merchandise and finished goods	1,666	1,729
Costs on construction contracts in progress	82	-
Raw materials and supplies	1,375	1,432
Construction machine parts	18,055	17,047
Other	3,123	4,098
Allowance for doubtful accounts	-269	-284
<b>Total current assets</b>	<b>126,751</b>	<b>118,066</b>
Non-current assets		
Property, plant and equipment		
Rental equipment	262,239	282,605
Accumulated depreciation	-164,193	-181,989
Rental equipment, net	98,046	100,616
Buildings and structures	42,680	44,709
Accumulated depreciation	-24,656	-26,128
Buildings and structures, net	18,024	18,581
Machinery, equipment and vehicles	9,764	10,088
Accumulated depreciation	-8,141	-8,511
Machinery, equipment and vehicles, net	1,623	1,576
Land	37,684	38,688
Other	2,899	4,570
Accumulated depreciation	-2,143	-2,305
Other, net	756	2,265
<b>Total property, plant and equipment</b>	<b>156,135</b>	<b>161,728</b>
Intangible assets		
Goodwill	4,111	3,810
Customer relationship	1,276	1,395
Other	1,516	1,511
<b>Total intangible assets</b>	<b>6,904</b>	<b>6,717</b>
Investments and other assets		
Investment securities	9,249	9,699
Deferred tax assets	2,175	2,370
Long-term loans receivable	977	5,213
Other	2,069	2,081
Allowance for doubtful accounts	-507	-556
<b>Total investments and other assets</b>	<b>13,963</b>	<b>18,808</b>
<b>Total non-current assets</b>	<b>177,003</b>	<b>187,253</b>
<b>Total assets</b>	<b>303,754</b>	<b>305,320</b>

(Millions of yen)

	As of October 31, 2021	As of October 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	37,082	33,714
Short-term borrowings	960	980
Current portion of bonds payable	24	-
Current portion of long-term borrowings	13,055	13,913
Lease liabilities	1,269	1,444
Income taxes payable	2,681	1,957
Provision for bonuses	1,548	1,579
Accounts payable - other	24,545	24,853
Other	6,063	4,022
Total current liabilities	87,230	82,465
Non-current liabilities		
Long-term borrowings	31,460	34,659
Lease liabilities	2,888	3,179
Long-term accounts payable - other	44,486	41,121
Retirement benefit liability	566	374
Asset retirement obligations	588	657
Deferred tax liabilities	1,501	2,095
Other	115	154
Total non-current liabilities	81,607	82,242
Total liabilities	168,837	164,708
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,829	17,829
Capital surplus	19,326	19,332
Retained earnings	89,048	94,399
Treasury shares	-1,978	-3,945
Total shareholders' equity	124,226	127,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,249	2,181
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	541	2,198
Remeasurements of defined benefit plans	-60	-37
Total accumulated other comprehensive income	2,729	4,342
Non-controlling interests	7,960	8,652
Total net assets	134,917	140,611
Total liabilities and net assets	303,754	305,320

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)**

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Net sales	189,416	188,028
Cost of sales	133,812	132,196
Gross profit	55,604	55,831
Selling, general and administrative expenses	40,979	42,602
Operating profit	14,624	13,229
Non-operating income		
Interest income	46	62
Dividend income	159	180
Rental income	83	77
Insurance claim income	357	35
Temporary transfer charges income	69	77
Foreign exchange gains	97	262
Reversal of allowance for doubtful accounts	25	40
Other	300	349
Total non-operating income	1,140	1,086
Non-operating expenses		
Interest expenses	102	102
Loss on cancellation of leases	27	38
Waste disposal costs	41	62
Compensation for damage	-	122
Provision of allowance for doubtful accounts	-	19
Other	201	190
Total non-operating expenses	372	536
Ordinary profit	15,391	13,780
Extraordinary income		
Gain on sale of non-current assets	21	19
Gain on sale of shares of subsidiaries and associates	20	6
Subsidy income	18	-
Gain on revision of retirement benefit plan	-	34
Gain on extinguishment of tie-in shares	-	135
Total extraordinary income	59	196
Extraordinary losses		
Loss on sale and retirement of non-current assets	275	222
Loss on valuation of investment securities	172	4
Loss on valuation of shares of subsidiaries and associates	174	174
Loss on extinguishment of tie-in shares	81	-
Total extraordinary losses	703	402
Profit before income taxes	14,747	13,574
Income taxes - current	5,145	4,174
Income taxes - deferred	-190	344
Total income taxes	4,954	4,518
Profit	9,793	9,056
Profit attributable to non-controlling interests	885	711
Profit attributable to owners of parent	8,907	8,345



**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Profit	9,793	9,056
Other comprehensive income		
Valuation difference on available-for-sale securities	727	-67
Deferred gains or losses on hedges	0	-0
Foreign currency translation adjustment	667	1,657
Remeasurements of defined benefit plans, net of tax	-14	30
Total other comprehensive income	1,381	1,620
Comprehensive income	11,174	10,676
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,290	9,957
Comprehensive income attributable to non-controlling interests	884	718

### (3) Consolidated Statements of Changes in Equity

Prior consolidated fiscal year (From November 1, 2020 to October 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,829	19,324	82,599	-2,009	117,744
Changes during period					
Dividends of surplus			-2,457		-2,457
Profit attributable to owners of parent			8,907		8,907
Purchase of treasury shares				-0	-0
Restricted stock compensation		2		31	33
Net changes in items other than shareholders' equity					
Total changes during period	-	2	6,449	30	6,482
Balance at end of period	17,829	19,326	89,048	-1,978	124,226

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,522	-	-126	-49	1,346	7,097	126,188
Changes during period							
Dividends of surplus					-		-2,457
Profit attributable to owners of parent					-		8,907
Purchase of treasury shares					-		-0
Restricted stock compensation					-		33
Net changes in items other than shareholders' equity	726	0	667	-10	1,383	863	2,246
Total changes during period	726	0	667	-10	1,383	863	8,728
Balance at end of period	2,249	0	541	-60	2,729	7,960	134,917

Current consolidated fiscal year (From November 1, 2021 to October 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,829	19,326	89,048	-1,978	124,226
Cumulative effects of changes in accounting policies			-0		-0
Restated balance	17,829	19,326	89,048	-1,978	124,226
Changes during period					
Dividends of surplus			-2,994		-2,994
Profit attributable to owners of parent			8,345		8,345
Change in ownership interest of parent due to transactions with non-controlling interests		5			5
Purchase of treasury shares				-2,000	-2,000
Restricted stock compensation		0		33	33
Net changes in items other than shareholders' equity					
Total changes during period	-	6	5,350	-1,967	3,389
Balance at end of period	17,829	19,332	94,399	-3,945	127,616

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,249	0	541	-60	2,729	7,960	134,917
Cumulative effects of changes in accounting policies							-0
Restated balance	2,249	0	541	-60	2,729	7,960	134,917
Changes during period							
Dividends of surplus					-		-2,994
Profit attributable to owners of parent					-		8,345
Change in ownership interest of parent due to transactions with non-controlling interests					-		5
Purchase of treasury shares					-		-2,000
Restricted stock compensation					-		33
Net changes in items other than shareholders' equity	-67	-0	1,657	23	1,612	692	2,304
Total changes during period	-67	-0	1,657	23	1,612	692	5,694
Balance at end of period	2,181	-	2,198	-37	4,342	8,652	140,611

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	14,747	13,574
Depreciation	31,064	31,912
Amortization of goodwill	648	615
Loss (gain) on sale and retirement of non-current assets	254	202
Cost transfer resulting from sale of rental equipment	793	775
Purchase of construction equipment and materials	-968	-769
Purchase of rental equipment	-5,424	-5,645
Loss (gain) on valuation of investment securities	172	4
Loss on valuation of shares of subsidiaries and associates	174	174
Loss (gain) on extinguishment of tie-in shares	81	-135
Loss (gain) on sale of shares of subsidiaries and associates	-20	-6
Increase (decrease) in allowance for doubtful accounts	-76	45
Increase (decrease) in provision for bonuses	70	14
Increase (decrease) in retirement benefit liability	47	24
Interest and dividend income	-206	-243
Assets buy on the installment plan purchase payment interest for rentals	622	598
Interest expenses	102	102
Foreign exchange losses (gains)	-95	-238
Decrease (increase) in trade receivables	1,242	-
Decrease (increase) in trade receivables and contract assets	-	520
Decrease (increase) in inventories	-513	-15
Increase (decrease) in trade payables	-1,237	-3,736
Increase (decrease) in accounts payable - other	1,886	2,105
Other, net	1,252	-1,280
Subtotal	44,619	38,601
Interest and dividends received	202	245
Interest paid	-727	-704
Income taxes paid	-4,742	-4,985
Net cash provided by (used in) operating activities	39,351	33,158

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Cash flows from investing activities		
Payments into time deposits	-757	-722
Proceeds from withdrawal of time deposits	763	741
Purchase of investment securities	-9	-301
Proceeds from sale of investment securities	32	25
Purchase of property, plant and equipment	-3,528	-4,793
Proceeds from sale of property, plant and equipment	95	35
Purchase of intangible assets	-562	-471
Proceeds from sale of intangible assets	12	-
Purchase of shares of subsidiaries	-8	-815
Proceeds from sale of shares of subsidiaries and associates	22	22
Loan advances	-14	-5,761
Proceeds from collection of loans receivable	177	583
Collection of long-term accounts receivable-other	186	126
Other, net	216	0
Net cash provided by (used in) investing activities	-3,373	-11,331

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Cash flows from financing activities		
Redemption of bonds	-44	-24
Net increase (decrease) in short-term borrowings	-75	20
Proceeds from long-term borrowings	14,980	15,894
Repayments of long-term borrowings	-14,415	-14,684
Repayments of installment payables	-25,331	-25,686
Repayments of lease liabilities	-1,432	-1,397
Purchase of treasury shares	-0	-2,000
Dividends paid	-2,454	-2,993
Dividends paid to non-controlling interests	-20	-20
Net cash provided by (used in) financing activities	-28,794	-30,893
Effect of exchange rate change on cash and cash equivalents	90	276
Net increase (decrease) in cash and cash equivalents	7,274	-8,790
Cash and cash equivalents at beginning of period	48,023	55,557
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	260	279
Cash and cash equivalents at end of period	55,557	47,047