



# Fiscal Year Ended October 31, 2023 Financial Statements Bulletin (Japan GAAP)

December 8, 2023

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  
 TEL 81-11-209-1600

Scheduled date for Regular General Meeting of the Shareholders January 25, 2024  
 Scheduled date for commencement of dividend payments January 26, 2024  
 Scheduled date for submission of Annual Securities Report January 25, 2024  
 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, 2023

(November 1, 2022 – October 31, 2023)

### (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, 2023	197,481	5.0	11,958	-9.6	12,488	-9.4	6,721	-19.5
Fiscal year ended October 31, 2022	188,028	-	13,229	-9.5	13,780	-10.5	8,345	-6.3

(Note) Comprehensive income (millions of yen)

Fiscal year ended October 31, 2023 8,410 (-21.2%)  
 Fiscal year ended October 31, 2022 10,676 (-4.5%)

	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, 2023	185.40	-	5.0	4.0	6.1
Fiscal year ended October 31, 2022	224.64	-	6.4	4.5	7.0

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

Fiscal year ended October 31, 2023 -

Fiscal year ended October 31, 2022 -

(Note) As the Company has 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, the percentage of change for net sales from the results for the fiscal year ended October 31, 2021, which was prior to the application of the said accounting standard, etc. 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, 2023	316,440	143,677	42.5	3,729.73
As of October 31, 2022	305,320	140,611	43.2	3,571.98

(Reference) Equity (millions of yen)

As of October 31, 2023 134,495

As of October 31, 2022 131,958

### (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, 2023	37,960	-6,699	-33,995	45,093
Fiscal year ended October 31, 2022	33,158	-11,331	-30,893	47,047

### 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, 2022	-	35.00	-	40.00	75.00	2,770	33.4	2.2
Fiscal year ended October 31, 2023	-	35.00	-	40.00	75.00	2,704	40.5	2.1
Fiscal year ending October 31, 2024 (projected)	-	35.00	-	40.00	75.00		32.0	

### 3. Projected Consolidated Operating Results for the Fiscal Year Ending October 31, 2024

(November 1, 2023 - October 31, 2024)

(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	101,000	3.8	5,900	10.7	6,000	9.3	3,400	16.3	95.51
Full year	205,300	4.0	14,100	17.9	14,300	14.5	8,300	23.5	234.34

(Note) At a meeting of the Board of Directors held on December 8, 2023, 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, 2024 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: No
  - (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, 2023: 38,742,241 shares
    - As of October 31, 2022: 38,742,241 shares
  - (b) Number of treasury shares at the end of the period
    - As of October 31, 2023: 2,681,810 shares
    - As of October 31, 2022: 1,799,490 shares
  - (c) Average number of shares outstanding during the period
    - Fiscal year ended October 31, 2023: 36,254,078 shares
    - Fiscal year ended October 31, 2022: 37,148,669 shares

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

### 1. Non-Consolidated Operating Results for the Fiscal Year Ended October 31, 2023

(November 1, 2022 – October 31, 2023)

#### (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, 2023	119,441	3.2	5,759	-10.9	6,772	-9.2	3,588	-27.6
Fiscal year ended October 31, 2022	115,714	-	6,462	-13.9	7,454	-12.0	4,959	-8.0

	Earnings per Share	Earnings per Share on a Fully Diluted Basis
	Yen	Yen
Fiscal year ended October 31, 2023	98.99	-
Fiscal year ended October 31, 2022	133.50	-

(Note) As the Company has 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, the percentage of change for net sales from the results for the fiscal year ended October 31, 2021, which was prior to the application of the said accounting standard, etc. 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, 2023	230,535	107,003	46.4	2,967.35
As of October 31, 2022	226,854	107,392	47.3	2,906.99

(Reference) Equity (millions of yen)

As of October 31, 2023 107,003

As of October 31, 2022 107,392

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 11, 2023. 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**  
**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	47,565	45,611
Notes and accounts receivable - trade, and contract assets	38,452	41,048
Electronically recorded monetary claims - operating	8,025	11,474
Merchandise and finished goods	1,729	1,442
Raw materials and supplies	1,432	1,574
Construction machine parts	17,047	15,962
Other	4,098	3,453
Allowance for doubtful accounts	-284	-269
Total current assets	118,066	120,298
Non-current assets		
Property, plant and equipment		
Rental equipment	282,605	308,318
Accumulated depreciation	-181,989	-197,632
Rental equipment, net	100,616	110,685
Buildings and structures	44,709	47,935
Accumulated depreciation	-26,128	-27,522
Buildings and structures, net	18,581	20,413
Machinery, equipment and vehicles	10,088	10,550
Accumulated depreciation	-8,511	-8,798
Machinery, equipment and vehicles, net	1,576	1,752
Land	38,688	39,511
Other	4,570	4,091
Accumulated depreciation	-2,305	-2,476
Other, net	2,265	1,614
Total property, plant and equipment	161,728	173,977
Intangible assets		
Goodwill	3,810	3,163
Customer relationship	1,395	1,244
Other	1,511	1,369
Total intangible assets	6,717	5,778
Investments and other assets		
Investment securities	9,699	10,637
Deferred tax assets	2,370	2,013
Long-term loans receivable	5,213	1,702
Other	2,081	2,508
Allowance for doubtful accounts	-556	-476
Total investments and other assets	18,808	16,386
Total non-current assets	187,253	196,141
Total assets	305,320	316,440

(Millions of yen)

As of October 31, 2022 As of October 31, 2023

	As of October 31, 2022	As of October 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	33,714	36,077
Short-term borrowings	980	900
Current portion of long-term borrowings	13,913	14,600
Lease liabilities	1,444	1,645
Income taxes payable	1,957	2,657
Provision for bonuses	1,579	1,676
Accounts payable - other	24,853	26,075
Other	4,022	3,992
Total current liabilities	82,465	87,624
Non-current liabilities		
Long-term borrowings	34,659	35,796
Lease liabilities	3,179	3,626
Long-term accounts payable - other	41,121	42,324
Retirement benefit liability	374	354
Asset retirement obligations	657	686
Deferred tax liabilities	2,095	2,288
Other	154	60
Total non-current liabilities	82,242	85,139
Total liabilities	164,708	172,763
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,829	17,829
Capital surplus	19,332	19,432
Retained earnings	94,399	97,842
Treasury shares	-3,945	-5,906
Total shareholders' equity	127,616	129,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,181	2,983
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	2,198	2,343
Remeasurements of defined benefit plans	-37	-30
Total accumulated other comprehensive income	4,342	5,296
Non-controlling interests	8,652	9,181
Total net assets	140,611	143,677
Total liabilities and net assets	305,320	316,440

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

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Net sales	188,028	197,481
Cost of sales	132,196	140,630
Gross profit	55,831	56,850
Selling, general and administrative expenses	42,602	44,892
Operating profit	13,229	11,958
Non-operating income		
Interest income	62	70
Dividend income	180	211
Insurance claim income	35	69
Rental income	77	77
Temporary transfer charges income	77	57
Foreign exchange gains	262	111
Reversal of allowance for doubtful accounts	40	83
Other	349	316
Total non-operating income	1,086	998
Non-operating expenses		
Interest expenses	102	127
Loss on cancellation of leases	38	39
Waste disposal costs	62	73
Compensation for damage	122	-
Provision of allowance for doubtful accounts	19	-
Other	190	228
Total non-operating expenses	536	468
Ordinary profit	13,780	12,488
Extraordinary income		
Gain on sale of non-current assets	19	57
Gain on sale of investment securities	-	221
Gain on sale of shares of subsidiaries and associates	6	0
Gain on revision of retirement benefit plan	34	-
Gain on receipt of donated non-current assets	-	7
Gain on extinguishment of tie-in shares	135	-
Total extraordinary income	196	287
Extraordinary losses		
Impairment losses	-	195
Loss on sale and retirement of non-current assets	222	467
Loss on valuation of investment securities	4	6
Loss on valuation of shares of subsidiaries and associates	174	-
Total extraordinary losses	402	668
Profit before income taxes	13,574	12,106
Income taxes - current	4,174	4,480
Income taxes - deferred	344	184
Total income taxes	4,518	4,664
Profit	9,056	7,441
Profit attributable to non-controlling interests	711	720
Profit attributable to owners of parent	8,345	6,721

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Profit	9,056	7,441
Other comprehensive income		
Valuation difference on available-for-sale securities	-67	814
Deferred gains or losses on hedges	-0	0
Foreign currency translation adjustment	1,657	144
Remeasurements of defined benefit plans, net of tax	30	9
Total other comprehensive income	1,620	968
Comprehensive income	10,676	8,410
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,957	7,675
Comprehensive income attributable to non-controlling interests	718	734

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

Prior 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	Remeasurements 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



Current fiscal year (From November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,829	19,332	94,399	-3,945	127,616
Changes during period					
Dividends of surplus			-2,739		-2,739
Profit attributable to owners of parent			6,721		6,721
Change in scope of consolidation			-538		-538
Change in ownership interest of parent due to transactions with non-controlling interests		98			98
Purchase of treasury shares				-1,999	-1,999
Restricted stock compensation		0		39	40
Net changes in items other than shareholders' equity					
Total changes during period	-	99	3,443	-1,960	1,582
Balance at end of period	17,829	19,432	97,842	-5,906	129,198

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,181	-	2,198	-37	4,342	8,652	140,611
Changes during period							
Dividends of surplus					-		-2,739
Profit attributable to owners of parent					-		6,721
Change in scope of consolidation					-		-538
Change in ownership interest of parent due to transactions with non-controlling interests					-		98
Purchase of treasury shares					-		-1,999
Restricted stock compensation					-		40
Net changes in items other than shareholders' equity	802	0	144	7	953	528	1,482
Total changes during period	802	0	144	7	953	528	3,065
Balance at end of period	2,983	0	2,343	-30	5,296	9,181	143,677

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

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Cash flows from operating activities		
Profit before income taxes	13,574	12,106
Depreciation	31,912	34,252
Impairment losses	-	195
Amortization of goodwill	615	638
Loss (gain) on sale and retirement of non-current assets	202	409
Cost transfer resulting from sale of rental equipment	775	1,217
Purchase of construction equipment and materials	-769	-1,059
Purchase of rental equipment	-5,645	-5,623
Loss (gain) on sale of investment securities	-	-221
Loss (gain) on valuation of investment securities	4	6
Loss on valuation of shares of subsidiaries and associates	174	-
Loss (gain) on extinguishment of tie-in shares	-135	-
Loss (gain) on sale of shares of subsidiaries and associates	-6	-0
Increase (decrease) in allowance for doubtful accounts	45	-100
Increase (decrease) in provision for bonuses	14	65
Increase (decrease) in retirement benefit liability	24	-6
Interest and dividend income	-243	-281
Assets buy on the installment plan purchase payment interest for rentals	598	662
Interest expenses	102	127
Foreign exchange losses (gains)	-238	-104
Decrease (increase) in trade receivables and contract assets	520	-5,456
Decrease (increase) in inventories	-15	223
Increase (decrease) in trade payables	-3,736	2,017
Increase (decrease) in accounts payable - other	2,105	2,454
Other, net	-1,280	625
Subtotal	38,601	42,147
Interest and dividends received	245	278
Interest paid	-704	-790
Income taxes paid	-4,985	-3,674
Net cash provided by (used in) operating activities	33,158	37,960

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Cash flows from investing activities		
Payments into time deposits	-722	-747
Proceeds from withdrawal of time deposits	741	747
Purchase of investment securities	-301	-24
Proceeds from sale of investment securities	25	358
Purchase of property, plant and equipment	-4,793	-5,254
Proceeds from sale of property, plant and equipment	35	80
Purchase of intangible assets	-471	-331
Purchase of shares of subsidiaries	-815	-742
Proceeds from sale of shares of subsidiaries and associates	22	16
Loan advances	-5,761	-793
Proceeds from collection of loans receivable	583	176
Collection of long-term accounts receivable - other	126	-
Other, net	0	-183
Net cash provided by (used in) investing activities	-11,331	-6,699

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Cash flows from financing activities		
Redemption of bonds	-24	-
Net increase (decrease) in short-term borrowings	20	-80
Proceeds from long-term borrowings	15,894	14,205
Repayments of long-term borrowings	-14,684	-15,511
Repayments of installment payables	-25,686	-26,185
Repayments of lease liabilities	-1,397	-1,576
Purchase of treasury shares	-2,000	-1,999
Dividends paid	-2,993	-2,739
Dividends paid to non-controlling interests	-20	-22
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	-84
Net cash provided by (used in) financing activities	-30,893	-33,995
Effect of exchange rate change on cash and cash equivalents	276	48
Net increase (decrease) in cash and cash equivalents	-8,790	-2,685
Cash and cash equivalents at beginning of period	55,557	47,047
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	279	-
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	731
Cash and cash equivalents at end of period	47,047	45,093