Fiscal Year ending October 31, 2001

Interim Financial Statements Bulletin (Consolidated)

June 14, 2001

Listed Company Name **Kanamoto Company, Ltd.** Listing Exchanges

Company Code Number **9678** **Tokyo Stock Exchange**

Sapporo Stock Exchange

Inquiries Person to Contact **Corporate Officer and Division Manager, Accounting Division**

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Date of Report to the Board of Directors June 14, 2001

SEC Accounting Standards The Company has not adopted SEC accounting standards

1. Consolidated Operating Results for the Interim Period ended April 30, 2001 (Nov. 1, 2000 – Apr. 30, 2001)

(1) Consolidated Operating Results (Numbers less than one million yen have been rounded down)

	Revenues		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended April 30, 2001	32,640	—	1,637	—	2,059	—
Six months ended April 30, 2000	—	—	—	—	—	—
Fiscal year ended October 31, 2000	61,996		3,042		2,548	

	Net Income		Net Income per Share of Common Stock	Net income per share on a fully diluted basis
	Millions of yen	%	Yen	Yen
Six months ended April 30, 2001	522	—	17.30	14.20
Six months ended April 30, 2000	—	—	—	—
Fiscal year ended October 31, 2000	1,360		45.51	36.35

Notes 1. Investment profit or loss accounted for by the equity method
  Six months ended April 30, 2001 —
  Six months ended April 30, 2000 —
  Fiscal year ended October 31, 2000 —

2. Average number of shares (consolidated) outstanding during the period
  Six months ended April 30, 2001 30,228,376 shares
  Six months ended April 30, 2000 — shares
  Fiscal year ended October 31, 2000 29,894,781 shares

3. Are there any changes in accounting method? No

4. The percentages shown for revenues, operating income, ordinary income and net income are the percent increase or decrease compared to the same period of the prior fiscal year

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	Millions of yen	Millions of yen	%	Yen
Six months ended April 30, 2001	106,181	31,751	29.9	1,050.09
Six months ended April 30, 2000	—	—	—	—
Fiscal year ended October 31, 2000	103,412	30,781	29.7	1,018.72

Notes 1. Number of shares (consolidated) issued and outstanding at end of period

Six months ended April 30, 2001 30,236,951 shares

Six months ended April 30, 2000 —shares

Fiscal year ended October 31, 2000 30,215,864 shares

(3) Consolidated Cash Flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Balance of Cash and Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six months ended April 30, 2001	7,869	–268	–8,243	15,780
Six months ended April 30, 2000	–	–	–	–
Fiscal year ended October 31, 2000	10,616	–1,826	–8,544	16,422

(4) Companies to which consolidation accounting and equity method accounting apply

Number of consolidated subsidiaries: 5

Number of non-consolidated subsidiaries accounted for by the equity method: 0

Number of affiliated companies accounted for by the equity method: 0

(5) Changes in scope of consolidation and application of equity method accounting

Consolidation (new companies) 0 (Excluded) 0

Equity method accounting (new companies) 0 (Excluded) 0

2. Projected Consolidated Operating Results for the Fiscal Year Ending October 31, 2001

(November 1, 2000 - October 31, 2001)

	Revenues	Ordinary Income	Net Income
	Millions of yen	Millions of yen	Millions of yen
Full year	64,500	3,040	420

Reference: Projected net income per share of common stock (Full year) ¥13.89

I Current conditions of the Company's group

The Kanamoto Company group is comprised of the parent company, seven subsidiaries and three affiliated companies. The business activities of the group are centered on the rental and sale of construction equipment, temporary construction materials, safety equipment and other products, the sale of steel materials, and the rental and sale of information technology equipment (computers and peripheral equipment). The Company is also undertaking development of electric power supply and service businesses and food and beverage businesses as supplemental business activities. An explanation of each company's position with regard to its relevant business is provided below.

〔Businesses related to the Construction Equipment Rental Division〕

The Company's rental division, together with **Taniguchi Co., Ltd. (a subsidiary company)** and **Kanamoto Shikoku Co., Ltd. (a subsidiary company)**, is engaged in the rental and sale of construction equipment and machines used for construction. Taniguchi Co., Ltd. and Kanamoto Shikoku Co., Ltd. operate in designated marketing areas, and borrow rental equipment assets from the Company as needed in order to meet customer demand.

SRG Kanamoto Co., Ltd. (a subsidiary company) operates a rental business that provides temporary materials for construction use. **Assist Co., Ltd. (a subsidiary company)** is engaged in the rental of furniture and fixtures and safety products for the construction industry. The Company and Taniguchi Co., Ltd. borrow rental assets from SRG Kanamoto Co., Ltd. and Assist Co., Ltd. as needed to rent to their own customers.

In addition to the above companies, **Kanatech Co., Ltd. (a subsidiary company)** develops, manufactures and sells modular housing units for temporary use, and **Polyshield Services Co., Ltd. (a subsidiary company)** is engaged in the sale and construction of specialized rust-proof, water-proof shields.

〔Businesses related to the Steel Sales Division〕

The Company's Steel Sales Division sells steel products and construction-related manufactured goods. The Company has no subsidiaries or affiliated companies that are related to this division.

〔Businesses related to the Computer and Peripheral Equipment Rental Division and other businesses〕

As the Company's information and telecommunications-related division, Kanamoto's Computer and Peripheral Equipment Rental Division is engaged in the rental and sale of computers, computer peripheral equipment and equipment for the development of computer products. Companies affiliated with this division include **Newtech Co., Ltd. (an affiliated company)**, which primarily manufactures and sells computer peripheral equipment such as RAID (large volume, high speed external storage products), and **Active Technology Co., Ltd. (an affiliated company)**, which is principally engaged in the sale of telecommunications-related equipment such as wireless LAN devices.

As supplemental businesses, **Active Power Co., Ltd. (an affiliated company)** is engaged in the sale of microturbine generators, and supplies these products to the Company, among others. **Providence Brewery Co., Ltd. (a subsidiary company)** brews and sells regional beers.

〔Relationship of the operating businesses〕

Kanamoto Co., Ltd.

Construction Equipment Rental Division

Steel Sales Division

Computers and Peripheral Equipment Division

Construction-related Businesses

(Consolidated companies)
Taniguchi Co., Ltd.
Assist Co., Ltd.
SRG Kanamoto Co., Ltd.
Kanatech Co., Ltd.

(Non-consolidated companies)
Polyshield Services Co., Ltd.
Kanamoto Shikoku Co,, Ltd.

Computer and Peripheral Equipment-related and Other Businesses

Computer and peripheral equipment-related businesses
(Affiliated companies)※
Newtech Co., Ltd.
Active Technology Co., Ltd.

Other Businesses
(Consolidated company)
Providence Brewery Co., Ltd.

(Affiliated company)※
Active Power Corp.

(Note) ※ Indicates affiliated companies to which equity method accounting is not applied.

II Management policies and operating results

1. Basic policies concerning business management and distribution of earnings

Kanamoto Company's basic mission is to achieve successful performance that produces maximum satisfaction for all stakeholders of the Company, including customers, shareholders and the local community. The Company undertakes its businesses based on a fundamental management policy embodied in the phrase, "constantly seek innovation and move forward based on a spirit of independence and self-reliance."

The Company's group will further strengthen consolidated group management and continue to take actions adapted to the current environment, by seeking new customer needs and establishing new information and services focused around the construction equipment rental business, the mainstay of the Company's principal business activity.

In order to ensure the long-term, integrated expansion of shareholders' profits, Kanamoto Company continues to focus comprehensively on both capital investments based on its medium-term profit plan and on profitability, dividend trend and a sound financial position. The Company also remains committed to its policy of stable dividend growth.

To accomplish these goals, Kanamoto Company focuses on the importance of cash flow and places particular importance on the growth of EBITDA (earnings before interest, taxes and depreciation and amortization).

2. Medium to long-term corporate management strategy

The market for construction equipment rentals is greatly affected by the trend in construction investment. In this respect, we believe that a review of public works is inevitable because the government is expected to undertake fiscal reform measures in the future, which will be a negative factor for the Kanamoto group.

In contrast to this negative outlook, however, companies in the construction industry are engaged in all-out efforts to rationalize their management. Two objectives that are receiving particular emphasis are "debt reduction" and "asset shrinkage." Because of the trend in the construction industry to limit capital investment and lighten balance sheets against this backdrop by utilizing outsourcing, the reliance on construction equipment rentals has increased. According to the Japan Civil Engineering Association, the percentage of all equipment used at construction sites that was rented during Fiscal 2000 edged downward by 0.9% points to 54.3%. Nevertheless, because 42 of the 61 categories of equipment covered by the survey are highly dependent upon rentals, as a basic trend we believe the use of equipment rentals will continue to rise.

At Kanamoto, we will use the following two strategies in each region to take the maximum advantage of this positive trend.

< Dominance >

As its primary strategy, Kanamoto seeks to achieve dominance in its existing sales territories. Under this strategy, Kanamoto aims for synergistic effects with existing branches by opening numerous small-scale offices with strong local community ties, operated with a small staff and at minimum expense. Over the past year, the Company opened 15 branch offices in Hokkaido and the Tohoku region using this technique, which has succeeded in achieving the goal set by Kanamoto.

< Alliances >

At the same time, in western Japan where the Company does not have a sales branch network, Kanamoto is actively forming alliances with other firms operating in the construction equipment rental business in each region.

Kanamoto has already concluded business tie-ups in leading companies in Okinawa, southern Kyushu and northern Kyushu (Machida Kikou Co., Ltd., Daiichi Machine Industries Co., Ltd. and Kyushu Kensan Group), to which Kanamoto is supplying rental equipment. In Shikoku, Kanamoto established Kanamoto Shikoku Co., Ltd. a construction equipment rental company, as a joint venture with Tadano, Ltd., a leading manufacturer of cranes and high work equipment. Kanamoto’s alliance with Komatsu Group is also gradually moving into full operation. Finally, by the end of current year Kanamoto intends to convert Daiichi Machine Industries Co., Ltd. into a subsidiary company.

Kanamoto is also continuing its venture business support activities, in order to nurture new businesses that will follow the growth path of its construction equipment rental business. This is the major objective for development of the Company’s new businesses. Kanamoto makes investments in venture businesses not only for the purpose of capital gains from a new public offering, but also so these companies will contribute to the Company’s earnings through dividends and profits from the distribution of new products. Among the companies that Kanamoto has invested in so far, those developing microturbine electrical generators and VoIP (Internet telephony) technology show strong promise.

2. Operating Results

(1) Summary of interim period operating results (November 1, 2000 – April 20, 2001)

〔External environment〕

During the interim period under review, the business sentiment at Japanese firms began to deteriorate for the first time in 27 months, as evidenced by the Bank of Japan's Diffusion Index (DI) for April. In addition, Japan's economic climate presented increasingly serious aspects as stock prices fell along with an economic slowdown in the U.S. In the construction industry, the principal customer for Kanamoto's construction equipment rental business, comparatively expansive public-works spending was maintained with a second supplementary budget approved in November 2000. Nevertheless, nationwide there is a general downward trend in the number of orders received as the central and local governments review public works projects. Private sector demand as well is showing a trend towards lower capital investment, resulting in growing price competition in the face of scarce demand. Overall, the industry environment was severe.

〔Conditions for the Company（Unconsolidated)〕

For the period under review, Kanamoto's revenue rose by 6.1% over the same period of the prior year, and ordinary income rose 14.6%. Revenues for each operating division are discussed below.

Construction Equipment Rental Division

The nationwide downward trend in construction spending that was exemplified by declining orders for public works construction rekindled all-out competition among construction equipment rental companies. Rental equipment prices were also on a downward path. Kanamoto's Construction Equipment Rental Division, however, continued to achieve strong results as the result of marketing synergy achieved between 15 small-scale branch offices established in the prior fiscal year and its existing sales offices, which enabled Kanamoto to dominate the regions in which it operates.

By region, rental revenue rose 11.1% in Hokkaido as a result of increasing the number of small-scale branches. Revenue growth in the Tohoku area was lower at 2.3%, reflecting the drop in public spending in that region. Revenue increased 3.0% in the Kanto-Shinetsu region, thanks to the recovery of demand in the Tokyo metropolitan area. In the Kinki-Chubu region, revenue surged by 12.8% as the Company's alliance strategy in western Japan proved successful. As a result, a total rental equipment revenue increased by 6.9%. Incidentally, during the interim period under review Kanamoto instituted changes to its local operating division organization.

With regard to equipment sales handled by each division, despite difficulties in increasing sales of used equipment in each local business region the Construction Equipment Rental Division attained sales of used construction equipment that were 26.6% above the Company's initial projection. This reflected the establishment of the Used Products Sales Division in February, which enabled the division as a whole to maintain used equipment sales at the prior year level. Total rental and sales revenue increased by 5.4%.

During the interim period the Company established one new branch in Hokkaido, one new branch in the Tohoku area and one new branch in the Kinki-Chubu area.

In the **Steel Sales Division**, sales were up 12.3% compared to the prior year as the steel market completed a round of inventory adjustments and private sector demand in the Hokkaido region showed a small amount of growth.

The **Computer and Peripheral Equipment Rental Division** achieved a 14.4% increase in rental revenues as the result of steady orders for new model workstations. Reduced investment in IT, however, led to an 11.8% decline in sales revenue. For the division as a whole, revenue edged downward by 1.4% compared to the same period of the prior fiscal year.

〔**Business conditions at consolidated subsidiaries**〕

Taniguchi Co., Ltd. is building a solid market share in the Shiribeshi region of Hokkaido. The company increased both revenue and profits during the business period and continued to achieve steady growth. **Assist Co., Ltd.** (Hokkaido) increased both revenue and earnings, as it strengthened its office network by opening sales offices in Kushiro and Takikawa. **SRG Kanamoto Co., Ltd.**, which closed its books on its second fiscal year since being established, was able to expand its sales network and steadily improve its share of the market for temporary construction materials rentals. **Kanatech Co., Ltd.**, which began operations in October 2000, achieved good operating results that were in line with its initial business plan.

Providence Brewery Co., Ltd. moved to reform its profit structure through actions such as consigning management of the restaurant adjacent to it local brewery in Muroran, Hokkaido, to an outside firm.

〔**Other business operating results**〕

Successive reductions of electric power rates by electric utilities created a situation that made it more challenging to demonstrate to users the benefits of the microturbine electrical generators manufactured by the U.S. firm Capstone Corporation. Nevertheless interest is high among users who are concerned about environmental problems, and the number of inquiries is also gradually increasing. Kanamoto has begun to deliver units that will be used to provide regular power supply as well as standby emergency power.

As a result of the above activities, interim period consolidated revenues were ¥32,640 million. Ordinary income was ¥2,059 million, and interim period net income was ¥522 million.

(2) Outlook for the full fiscal year (Business period ending October 2001)

〔**Business environment**〕

Although public-works spending of ¥7,251.1 billion for the Fiscal 2001 budget was maintained at the level of the prior fiscal year's initial budget, under the new Koizumi administration's intent to pursue "structural reforms with no sanctuaries" the central government will continue the reassessment of public works begun last year, and move towards resolutely carrying out the abolition of public corporations that have fulfilled their initial mission. Although the government's structural reforms are expected to lead to economic recovery in the long term, it appears that Japan's economy will continue to face tough going for the immediate future considering the slump in personal consumption and private capital investment, the high unemployment rate and the level of corporate bankruptcies.

Under these circumstances, it is clear that construction firms will continue to increase their use of construction equipment rentals in order to ensure earnings from the smaller number of revenue sources. This means there is still substantial room for construction equipment rentals to grow.

At the same time, however, the fight for survival among construction equipment rental industry firms is becoming increasingly intense day by day, requiring considerable effort just to maintain the level of earnings.

〔**Company response (including consolidated subsidiaries)**〕

As the construction industry takes steps to streamline operations, the role achieved by construction equipment rentals as an important outsourcing industry can be expected to take on even greater importance on a nationwide scale.

As a result, Kanamoto Company also enjoys numerous factors that will enable it to grow. These include expanding operations into business territories where the Company has not opened sales branches, responding more to private sector construction demand, and strengthening operations in the

construction equipment sector. Because considerably more time will be required to cultivate new core businesses through venture business support activities, Kanamoto will seek to further secure the earnings generated by its construction rental business, which remain the Company's principal business. Accordingly, Kanamoto's primary response to current business conditions is to strengthen this division.
Since the beginning of the Company's current fiscal year, the Construction Equipment Rental Division reorganized its operations and established several new operations as described below.

① Reorganized regional business divisions
In order to rationalize operations, the division restructured its operating divisions from five regions, previously organized into Hokkaido, Tohoku, the Sea of Japan, Kanto and Kinki-Tokai to follow government administrative divisions, into four divisions serving the Hokkaido, Tohoku, Kanto-Shinetsu and Kinki-Chubu areas.
② Established new division to improve customer service
The division established a Quality Assurance Department in order to improve the quality of the Company's services on a uniform basis, a New Products Department that is developing and adopting new rental product groups, and a Used Products Sales Division that is responsible for the sale of used construction equipment each year.

From the perspective of marketing, the Construction Equipment Rental Division will pursue its current strategy to further increase its dominance in existing market areas while pursuing its alliance strategy in western Japan. The Company plans to establish eight new branch offices in order to strengthen its sales base in existing markets. In addition, Kanamoto Shikoku Co., Ltd. began business activities in June.
In other actions, Kanamoto has responded promptly to electronic commerce via the Internet, which Japan's construction industry has begun utilizing. The Company's Used Products Sales Division in particular maintains close cooperation with the maintenance sections at all of the Company's branches, and has begun selling used equipment through Internet auctions.
Finally, the Company set up a Market Development Division to implement broad, organic management activities that extend across all of the Company's operating divisions, and build the Company's knowledge management infrastructure.

The Steel Sales Division and the Computer and Peripheral Equipment Rental Division will continue to expand the quantity of new products they handle respectively, and work to maintain earnings. The Company's consolidated subsidiaries, which share many links with the Construction Equipment Rental Division, will pursue further cooperation with the Company's sales activities and strive to improve operating efficiency. In its other business activities, Kanamoto will continue its efforts to increase sales of microturbine electrical generators.
Based on these fundamental approaches, the consolidated Kanamoto group will also aim at bolstering the financial position of each firm and maintaining a solid financial foundation, and focus on improving the business development capabilities of the entire group.

〔Projected consolidated operating results for the fiscal year ending October 2001〕
Total revenues are projected to increase by 4.0% over the prior fiscal year to ¥64,500 million. Ordinary income will climb by 19.3% to ¥3,040 million, and net income will decline by 69.1% to ¥420 million, reflecting the lump-sum write-off of a valuation difference of approximately ¥1,982 million (insufficient reserves) that was incurred with the introduction of post-employment retirement benefit accounting.

III Interim Consolidated Financial Statements

1. Interim Consolidated Balance Sheets

(Amounts have been rounded down to the nearest thousand yen)

Category	Period	End of Current Consolidated Fiscal Year Interim Period (As of April 30, 2001)		Prior Fiscal Year Summary Consolidated Balance Sheet (As of October 31, 2000)	
		Amount	Percent	Amount	Percent
(Assets)					
Current Assets					
Cash and deposits	※3	15,784,766		16,432,624	
Notes and accounts receivable, trade	※1,2,6	24,047,536		23,331,420	
Negotiable securities		272,882		746,755	
Inventory		1,368,469		826,210	
Construction equipment		3,378,866		3,691,573	
Deferred tax assets		222,143		103,282	
Other current assets		769,201		434,903	
Allowance for doubtful accounts		－200,367		－ 173,786	
Total Current Assets		45,643,498	43.0	45,392,983	43.9
Fixed Assets					
Tangible Fixed Assets	※3				
Rental equipment		20,336,553		18,825,832	
Buildings and structures	※4	8,182,337		8,384,950	
Machinery, equipment and delivery equipment		1,338,636		1,401,100	
Land		24,181,603		24,181,603	
Construction in progress		110,100		338,959	
Other tangible fixed assets		230,047		228,985	
Total Tangible Fixed Assets		54,379,278	51.2	53,361,432	51.6
Intangible Fixed Assets					
Total Intangible Fixed Assets		72,529	0.1	62,658	0.1
Investments and Other Assets					
Investment securities		4,560,930		2,960,312	
Deferred tax assets		609,073		485,310	
Other assets		1,495,262		1,380,019	
Allowance for doubtful accounts		－579,240		－230,181	
Total Investments and Other Assets		6,086,026	5.7	4,595,461	4.4
Total Fixed Assets		60,537,834	57.0	58,019,552	56.1
Total Assets		106,181,333	100.0	103,412,535	100.0

(Amounts have been rounded down to the nearest thousand yen)

Category / Period		End of Current Consolidated Fiscal Year Interim Period (As of April 30, 2001)		Prior Fiscal Year Summary Consolidated Balance Sheet (As of October 31, 2000)	
		Amount	Percent	Amount	Percent
(Liabilities)					
Current Liabilities					
Notes and accounts payable, trade	※6	13,324,434		11,696,005	
Short-term bank loans		516,525		4,726,615	
Long-term bank loans due within one year	※3	7,889,407		7,793,285	
Corporate taxes payable		1,263,445		203,817	
Accrued bonuses to employees		538,760		502,903	
Accounts payable, other		8,349,533		7,607,164	
Other current liabilities		580,146		418,080	
Total Current Liabilities		32,462,253	30.6	32,947,871	31.9
Long-term Liabilities					
Straight bonds		5,277,692		5,277,692	
Convertible bonds		9,733,000		9,796,000	
Long-term bank loans	※3	13,293,542		13,230,142	
Retirement allowances to directors and auditors		273,522		287,454	
Accrued employees retirement benefits		1,018,988		—	
Long-term accrued expenses		12,262,848		11,023,476	
Total Long-term Liabilities		41,859,592	39.4	39,614,765	38.3
Total Liabilities		74,321,846	70.0	72,562,637	70.2
(Minority Interests)					
Minority interests		108,030	0.1	68,261	0.1
(Shareholders 'Equity)					
Common stock		8,596,080	8.1	8,591,481	8.3
Additional paid-in capital		9,719,689	9.1	9,715,111	9.4
Consolidated retained earnings		12,718,429	12.0	12,484,124	12.0
Valuation difference on other investment securities		727,323	0.7	—	—
		31,761,522	29.9	30,790,717	29.7
Treasury stock		−93	−0.0	−165	−0.0
Parent company stock held by subsidiaries		−9,973	−0.0	−8,915	−0.0
Total Shareholders 'Equity		31,751,456	29.9	30,781,636	29.7
Total Liabilities, Minority Interests and Shareholders 'Equity		106,181,333	100.0	103,412,535	100.0

2. Consolidated Statements of Income

(Amounts have been rounded down to the nearest thousand yen)

Category \ Period	Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)		Prior Fiscal Year Summary Consolidated Statement of Income (From November 1, 1999 to October 31, 2000)	
	Amount	Percent	Amount	Percent
Revenues from operations				
Rental revenues	21,658,504		40,376,456	
Sales	10,981,724		21,620,128	
Total revenues from operations	32,640,228	100.0	61,996,584	100.0
Cost of revenues from operations				
Cost of rental revenues	15,625,679		29,407,688	
Cost of goods sold	8,678,648		17,426,785	
Total cost of revenues	24,304,327	74.5	46,834,473	75.5
Gross profit	8,335,901	25.5	15,162,111	24.5
Selling, general and administrative expenses	6,698,161	20.5	12,119,518	19.6
Operating income	1,637,740	5.0	3,042,592	4.9
Non-operating revenues				
Interest revenue	20,172		47,972	
Dividend income	6,786		39,486	
Gain on sale of negotiable securities	—		128,873	
Gain on sale of investment securities	361,017		—	
Insurance benefits	127,103		224,685	
Rents received	118,956		211,014	
Consolidation adjustment account write-off	—		1,425	
Other	139,593		123,975	
Total non-operating revenues	773,629	2.4	777,433	1.3
Non-operating expenses				
Interest expense	293,706		627,344	
Valuation loss on negotiable securities	—		197,066	
Bond issue expense	—		147,500	
Contribution to pension plan	—		159,724	
Other	58,161		139,474	
Total non-operating expenses	351,868	1.1	1,271,109	2.1
Ordinary income	2,059,501	6.3	2,548,916	4.1
Extraordinary profits				
Adjustment of prior period profit or loss	—		42,596	
Gain on sale or retirement of fixed assets	—		205	
Guarantee of moving expenses	—		131,462	
Gain on sale of investment securities	—		1,561	
Total extraordinary profits	—	—	175,825	0.3

(Amounts have been rounded down to the nearest thousand yen)

Category \ Period	Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)		Prior Fiscal Year Summary Consolidated Statement of Income (From November 1, 1999 to October 31, 2000)	
	Amount	Percent	Amount	Percent
Extraordinary losses				
Loss on sale or retirement of fixed assets	42,621		199,694	
Valuation loss on investment securities	15,000		16,351	
Transfer to reserve for accrued employees retirement benefits	991,011		—	
Total extraordinary losses	1,048,633	3.2	216,046	0.4
Income before taxes and adjustments	1,010,868	3.1	2,508,695	4.0
Corporate, local and business taxes	1,230,987	3.8	1,242,998	2.0
Adjustment for corporate and other taxes	– 762,853	– 2.3	– 51,884	– 0.1
Minority interest in income or loss	– 19,768	– 0.0	42,829	0.1
Net income	522,965	1.6	1,360,411	2.2

3. Statements of Consolidated Retained Earnings

(Amounts have been rounded down to the nearest thousand yen)

Category \ Period	Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)	Prior Fiscal Year Consolidated Retained Earnings (From November 1, 1999 to October 31, 2000)
	Amount	Amount
Balance of consolidated retained earnings at the beginning of the period	12,484,124	11,704,914
Reduction in consolidated retained earnings		
Dividends	272,060	566,500
Directors and auditors' bonuses	16,600	14,700
Total reduction in retained earnings	288,660	581,200
Net income for the period	522,965	1,360,411
Balance of consolidated retained earnings at the end of the period	12,718,429	12,484,124

4. Consolidated Statements of Cash Flows (Amounts have been rounded down to the nearest thousand yen)

Category \ Period	Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)	Prior Fiscal Year Summary Consolidated Statement of Cash Flow (From November 1, 1999 to October 31, 2000)
	Amount	Amount
Cash flow from operating activities		
Income before taxes and adjustments	1,010,868	2,508,695
Depreciation and amortization expense	4,372,913	8,925,928
Loss on sale or retirement of fixed assets	42,621	199,694
Installment purchases of assets for small-value rentals	274,690	477,179
Reclassification of cost of sales associated with disposal of construction equipment	21,174	100,156
Reclassification of cost of sales associated with disposal of rental assets	488,759	784,842
Expenditures for acquisition of rental assets	– 301,880	– 909,340
Valuation loss on negotiable securities	–	197,066
Valuation loss on investment securities	15,000	16,351
Gain on sale of negotiable securities	–	– 128,873
Gain on sale of investment securities	– 361,017	– 1,561
Bond issuance expense	–	147,500
Gain on redemption of corporate bonds by purchase	– 2,457	– 28,358
Increase in allowance for doubtful accounts	375,640	77,840
Increase in accrued bonuses to employees	35,857	23,486
Increase in accrued employees retirement benefits	1,018,988	—
Increase in retirement allowances to directors and auditors	– 13,932	8,653
Interest revenue and dividend income	– 26,958	– 87,458
Interest expense on installment purchases of rental assets	151,370	287,428
Interest expense	293,706	627,344
(Increase) decrease in accounts receivable, trade	– 716,116	2,118,674
(Increase) decrease in inventory assets	– 542,258	96,860
Increase (decrease) in accounts payable, trade	1,604,956	– 640,466
Increase (decrease) in accounts payable, other	549,627	– 452,636
Directors and auditors' bonuses paid	– 16,600	– 14,700
Other, net	181,665	– 303,848
Subtotal	8,456,618	14,030,456
Interest and dividends received	26,958	87,458
Interest expense	– 442,641	– 904,592
Payment of corporate and other taxes	– 171,359	– 2,597,030
Cash flow from operating activities	7,869,575	10,616,292

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(Amounts have been rounded down to the nearest thousand yen)

Category / Period	Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)	Prior Fiscal Year Summary Consolidated Statement of Cash Flow (From November 1, 1999 to October 31, 2000)
	Amount	Amount
Cash flow from investing activities		
Disbursements for investments in term deposits	—	– 5,506
Revenue from redemption of term deposits	5,500	200,000
Funds provided from repayment of loans	—	37,500
Funds used for purchase of negotiable securities	—	– 3,034,898
Funds provided from the sale of negotiable securities	—	3,145,151
Funds used for the purchase of investment securities	– 2,047,491	– 814,647
Funds provided from sale of investment securities	2,100,406	243,454
Funds used for purchase of investments	– 57,665	– 140,234
Funds used for the purchase of tangible fixed assets	– 336,341	– 1,445,974
Funds provided from the sale of tangible fixed assets	82,689	3,510
Funds used for the purchase of intangible fixed assets	– 15,821	– 14,710
Cash flow used for investing activities	– 268,724	– 1,826,355
Cash flow from financing activities		
Decrease in short-term bank loans	– 4,210,089	– 3,975,710
Funds provided by long-term bank loans	4,556,450	7,762,200
Funds used to repay long-term bank loans	– 4,396,928	– 7,909,668
Funds provided from the issue of straight bonds	—	4,852,500
Funds used for redemption of straight bonds	– 60,543	– 310,642
Funds provided from the issue of stock to minority shareholders	20,000	—
Funds provided from the issue of common stock	9,177	44,137
Funds used for repayment of installment obligations	– 3,888,227	– 8,441,391
Payment of dividends to parent company	– 272,060	– 565,352
Funds used for other financing activities	– 985	– 943
Cash flow used for financing activities	– 8,243,207	– 8,544,869
Increase (decrease) in cash and equivalents	– 642,357	245,067
Balance of cash and equivalents at beginning of period	16,422,395	16,177,328
Balance of cash and equivalents at end of period	15,780,037	16,422,395

5. Significant Accounting Policies for the Interim Consolidated Financial Statements

(1) Companies included in the consolidation

The five subsidiary companies included in the consolidation are Taniguchi Co., Ltd., Assist Co., Ltd., SRG Kanamoto Co., Ltd., Providence Brewery Co., Ltd. and Kanatech Co., Ltd.

In addition to the subsidiary companies listed above, Kanamoto Shikoku Co., Ltd. and Polyshield Services Co., Ltd. have been excluded from consolidation because they are small in size and their total assets, sales, profit or loss and retained earnings do not have a material effect on the interim consolidated financial statements.

(2) Matters pertaining to application of equity method accounting

The Company's investments in the two unconsolidated companies Polyshield Services Co., Ltd. and Kanamoto Shikoku Co., Ltd., and in the affiliated companies Newtech Co., Ltd., Active Technology Corporation and Active Power Corporation, have been excluded from items to which equity method accounting is applied because their respective effect on interim consolidated net income or loss and interim consolidated retained earnings is immaterial and these firms are not important to the Company's overall operations.

(3) Matters pertaining to the interim period closing date for consolidated subsidiaries

The interim period closing date for all of the consolidated subsidiary companies is February 28. When preparing the interim consolidated financial statements, the Company used the subsidiaries' financial statements as of February 28 and made adjustments for significant transactions that occurred between March 1, 2001 and the interim consolidated accounting date on April 30, 2001 that were deemed to have a material effect on the interim consolidated financial results.

(4) Accounting principles and standards used for normal accounting treatment

① Valuation standards and valuation methods for principal assets

a. Negotiable securities

Other negotiable securities

Securities with a market price

Market value method based on the market price or similar prices on the interim period closing date (The full amount of the valuation difference is charged to equity using the direct transfer to capital method, with the disposal cost determined by the moving average method)

Other negotiable securities

Cost method, cost being determined by the moving average method

b. Appraisal standards and appraisal method for construction equipment

Amount after deduction of depreciation expense calculated according to the declining-balance method from the original prices, by separate fiscal year of purchase

c. Appraisal standards and appraisal method for merchandise inventories and supplies

Merchandise Inventories・・・Lower of cost or market based on the last-in, first-out method

Supplies ・・・・・・・・・・The latest purchase cost method

② Depreciation methods for principal depreciable assets

a. Tangible fixed assets

The Company has adopted the declining-balance method. Buildings on land that is leased under a fixed-term land lease agreement, however, are depreciated using the straight-line method using the remaining period of the fixed-term lease as the depreciable life and zero residual value. For certain consolidated subsidiaries, the Company adopted the straight-line method for buildings and structures acquired on or after April 1, 2000 but excluding fixtures and equipment.

b. Intangible fixed assets

Software acquired for the Company's internal use is depreciated using the straight-line method based on the assumed useful life for internal use (5 years).

③ Accounting standards for principal allowances and reserves

a. Allowance for doubtful accounts

The Company charges to income an amount based on actual loss experience for normal accounts, plus an amount for projected unrecoverable amounts based on assessments of individual accounts.

b. Accrued bonuses to employees

To provide for bonuses the Company will pay to employees, the Company appropriates an amount to the reserve for the interim accounting period liability based upon the estimated amounts of bonuses and salaries.

c. Accrued employees retirement benefits

The Company provides for employees 'accrued retirement benefits based upon the projected amounts of the liability for accrued employees retirement benefits and the value of pension assets at the end of the consolidated fiscal year. At the end of each interim consolidated accounting period, the Company appropriates an amount to the reserve to provide for the liability recognized during the period.

The Company charged 1/2 of the difference for a one-time change in accounting standards (¥1,982,023,000) to expenses at the end of the current fiscal year interim consolidated accounting period.

d. Retirement allowances to directors and auditors

The Company provides for retirement allowances to directors and auditors based upon pertinent rules and appropriated to the account proportionately based upon length of service.

④ Accounting treatment for lease transactions

For finance lease transactions except for leases that transfer ownership of the property to the lessee, rent expenses are charged to income as payments are made.

⑤ Hedge accounting for principal hedging methods

a. Hedge transactions

The Company accounts for hedge transactions using allocations based on accounting standards for foreign currency-denominated transactions, and special rule accounting based on accounting standards for financial products.

b. Hedge methods and hedged transactions

The Company uses currency swaps and forward transactions in order to avoid the currency fluctuation risk related to the Company's foreign currency-denominated straight bonds and liabilities for import payments. The Company also uses interest swaps to avoid interest rate fluctuation risk related to interest on bank borrowing.

c. Hedging policies

The Company's use of derivative transactions is limited to hedging risk within the scope of the Company's assets and liabilities subject to market fluctuation risk.

d. Method for evaluating the effectiveness of hedges

The Company does not evaluate the effectiveness of its hedge transactions because it can assume that its currency swap transactions and forward transactions will completely offset market fluctuations or changes in cash flow from the time hedge begins until it is terminated. In addition, the Company's interest swap transactions fulfill the requirements for special rule accounting, and the Company has elected to use this in place of an evaluation of effectiveness.

⑥ Accounting treatment of consumption tax

Consumption tax is taken out of all Statement of Income items and Balance Sheet items, except mainly for receivables and payables.

(5) Items included in cash and equivalents on the Interim Consolidated Statements of Cash Flows

Funds included in cash (cash and equivalents) on the Interim Consolidated Statements of Cash Flows include cash on hand, deposits that can be withdrawn on demand and highly liquid short-term investments that mature within three months of the date of acquisition and which can be easily converted into cash and that have minimal risk of a change in price.

(Supplemental information)

(Accounting for employees retirement benefits)

The Company has adopted the accounting standards for post-employment benefits ("Opinions on Setting Standards for Post-employment Benefits," Business Accounting Council, June 16, 1998) from the interim period of the current consolidated fiscal year. As a result, the Company's expense for accrued employees retirement benefit increased by ¥1,018,987,000, and ordinary income decreased by ¥27,976,000 and income before taxes decreased by ¥1,018,987,000, compared to what they would have been had the accounting standards used in the prior fiscal year been applied.

(Accounting for financial instruments)

The Company has adopted the accounting standards for financial instruments ("Opinions on Setting Standards for Financial Instruments," Business Accounting Council, January 22, 1999) from the interim period of the current consolidated fiscal year. By adopting the standards the Company changed the negotiable securities valuation standards applied to other negotiable securities that have market prices from the lower of cost or market method based on the moving average method to cost method, cost being determined by the moving average method.

As a result, the Company's ordinary income was unchanged and interim period income before taxes and adjustments increased by ¥45,174,000, compared to what it would have been had the accounting standards used in the prior fiscal year been applied.

In addition, the Company reviewed its holding objectives for negotiable securities held at the beginning of the fiscal year, and has disclosed the securities included in other negotiable securities that mature within one year as negotiable securities in current assets, and has disclosed all other securities as investment securities. As a result, the Company's negotiable securities accounted for as current assets were reduced by ¥746,755,000 and its investment securities increased by ¥746,755,000, compared to what they would have been had the accounting standards used in the prior fiscal year been applied.

6. Notes to the Financial Statements
(Notes to the Interim Period Consolidated Balance Sheets)

Category / Period	End of Current Consolidated Fiscal Year Interim Period (As of April 30, 2001)	End of Prior Consolidated Fiscal Year (As of October 31, 2000)
1. Discount on notes receivable, trade	162,645,000	126,279,000
2. Balance of notes receivable – trade endorsed	270,103,000	141,558,000
3. Accumulated depreciation of tangible fixed assets	48,748,131,000	49,288,766,000
4. Assets offered as collateral security		
Cash	―――	3,012,000
Buildings and structures		230,911,000
Total		233,924,000
		The assets shown above have been pledged as collateral for ¥18,995,000 of long-term bank loans due within one year and ¥226,005,000 of long-term bank loans.
5. Guarantees		
Joint and several guarantees of employee bank loans	26,243,000	25,398,000
Guarantee of debt for long-term bank loan to affiliated company (Active Power Corporation)	350,000,000	280,000,000
Total	376,243,000	305,398,000
6. Accounting treatment of notes maturing at the end of the period	The interim period-end was a financial institution holiday in Japan. Notes receivable and payable that matured on that date were settled on the immediately following business day, as is customary in Japan. Notes outstanding for which settlement was postponed and which are included in the interim balances were as follows. Notes receivable, trade 2,089,610,000 Notes payable, trade 1,340,272,000	―――

(Notes to the Interim Period Consolidated Statements of Income)

Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)		Prior Consolidated Fiscal Year (From November 1, 1999 to October 31, 2000)	
※1. Major expense categories and amounts included in selling expense and administrative expenses.		※1. Major expense categories and amounts included in selling expense and administrative expenses.	
Employee salaries and wages	2,461,314,000	Employee salaries and wages	4,596,035,000
Depreciation expense	538,780,000	Depreciation expense	1,108,982,000
Rents	705,409,000	Rents	1,441,240,000
Amount transferred to allowance for doubtful accounts	424,513,000	Amount transferred to allowance for doubtful accounts	246,747,000
Amount transferred to accrued bonuses to employees	527,730,000	Amount transferred to accrued bonuses to employees	502,903,000
Amount transferred to retirement allowances to directors and auditors	8,904,000	Amount transferred to retirement allowances to directors and auditors	8,653,000
		Employee salaries and wages	4,596,035,000
________________		※2. Details of adjustments to prior period net income	
		Amount received from adjustment of tax liability	41,232,000
		Recovery of bad debts	971,000
		Reduction to allowance for doubtful accounts	392,000
		Total	42,596,000
________________		※3. Gain on disposal of fixed assets	
		Vehicles and delivery equipment	205,000
※4. Loss on sale or disposal of fixed assets		※4. Loss on sale or disposal of fixed assets	
(Loss on sale of fixed assets)		(Loss on sale of fixed assets)	
Machinery, equipment and delivery equipment	762,000	Buildings	18,716,000
(Loss on disposal of fixed assets)		(Loss on disposal of fixed assets)	
Rental assets	34,174,000	Rental assets	62,375,000
Buildings and structures	5,992,000	Buildings and structures	19,908,000
Machinery, equipment and delivery equipment	1,280,000	Machinery, equipment and delivery equipment	4,904,000
		Golf club memberships	92,930,000
Other	412,000	Other	858,000
Total	42,621,000	Total	199,694,000

(Notes to the Consolidated Statements of Cash Flows)

Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)	Prior consolidated accounting fiscal year (From November 1, 1999 to October 31, 2000)
1. Relationships between the interim period ending balance for cash and cash equivalents and the amounts in the categories shown on the interim period consolidated balance sheet Cash and deposit accounts 15,784,766,000 Term deposits with a maturity longer than 3 months − 4,729,000円 Cash and cash equivalents 15,780,037,000 2. Details of major non-cash transactions The amount of assets and liabilities related to installment payment transactions newly accounted for in the current interim consolidated accounting period is ¥5,248,524,000, respectively.	1. Relationships between the ending balance for cash and cash equivalents and the amounts in the categories shown on the consolidated balance sheet Cash and deposit accounts 16,432,624,000 Term deposits with a maturity longer than 3 months − 10,229,000 Cash and cash equivalents 16,422,395,000 2. Details of major non-cash transactions (1) Conversion of convertible bonds to capital Increase in capital from conversion of convertible bonds 253,000,000 Increase in additional paid-in capital from conversion of convertible bonds 253,000,000 Decrease in convertible bonds from conversion 506,000,000 (2) The amount of assets and liabilities related to installment payment transactions newly accounted for in the consolidated accounting fiscal year is ¥10,127,608,000 respectively.

V Lease Transactions

Current Consolidated Fiscal Year Interim Period (From November 1, 2000 to April 30, 2001)

1. Finance lease transactions except for leases that transfer ownership of the property to the lessee.

(1) Amounts corresponding to lease property acquisition prices, accumulated depreciation and outstanding balances at the end of the interim accounting period.

	Acquisition price (¥ 000)	Accumulated depreciation (¥ 000)	Outstanding balance (¥ 000)
Rental assets	¥13,230,516	¥5,871,914	¥7,358,602
Other assets	¥794,854	¥334,152	¥460,702
Total	¥14,025,371	¥6,206,067	¥7,819,304

(2) Outstanding balance of future lease payments at the end of the interim period

Within one year	2,483,331,000
After one year	5,482,320,000
Total	7,965,652,000

(3) Amount of lease payments, depreciation expense and interest expense

Lease payments	1,357,042,000
Depreciation expense	1,239,438,000
Interest expense	124,679,000

(4) Accounting method for amount equivalent to depreciation expense

Straight-line depreciation using the lease term as the depreciable life and zero residual value.

(5) Accounting method for amount equivalent to interest expense

Interest method using the difference between total lease payments and the acquisition price of the lease property, allocated equally to each year.

2. Operating leases

Future lease payments

Within one year	1,427,854,000
After one year	3,386,803,000
Total	4,814,658,000

Prior Consolidated Fiscal Year (From November 1, 1999 to October 31, 2000)

1. Finance lease transactions except for leases that transfer ownership of the property to the lessee.

(1) Amounts corresponding to lease property acquisition prices, accumulated depreciation and outstanding balances at the end of the fiscal year.

	Acquisition price (¥ 000)	Accumulated depreciation (¥ 000)	Outstanding balance (¥ 000)
Rental assets	¥16,688,293	¥8,788,906	¥7,899,386
Other assets	¥775,954	¥366,698	¥409,255
Total	¥17,464,247	¥9,155,605	¥8,308,641

(2) Outstanding balance of future lease payments at the end of the fiscal year

Within one year	2,654,146,000
After one year	5,490,558,000
Total	8,144,704,000

(3) Amount of lease payments, depreciation expense and interest expense

Lease payments	3,095,716,000
Depreciation expense	2,834,121,000
Interest expense	292,721,000

(4) Accounting method for amount equivalent to depreciation expense

Same as at left

(5) Accounting method for amount equivalent to interest expense

Same as at left

2. Operating leases

Future lease payments

Within one year	1,422,400,000
After one year	2,704,382,000
Total	4,126,782,000

(Notes related to negotiable securities)

※ The market prices of negotiable securities for the prior interim accounting period are reported as a note to the interim financial statements.

(Current interim consolidated accounting period) (As of April 30, 2001)

Negotiable Securities

1. Other negotiable securities with market prices (Yen thousands)

	Acquisition price	Amount reported on the interim consolidated balance sheet	Valuation profit or loss
(1) Stocks	1,468,149	2,918,702	1,450,553
(2) Bonds			
Central and municipal government bonds	—	—	—
Corporate bonds	280,652	280,978	325
Other	20,000	19,378	— 622
(3) Other	1,097,994	895,290	— 202,704
Subtotal	2,866,797	4,114,349	1,247,552

2. Principal negotiable securities that do not have a market price (Yen thousands)

	Amount reported on the interim consolidated balance sheet	Summary
Other negotiable securities		
Unlisted stocks (excluding OTC stocks)	719,463	

(Prior consolidated fiscal year) (As of October 31, 2000)

Market value of negotiable securities (Yen thousands)

Type	Amount reported on the consolidated balance sheet	Market value	Valuation profit or loss
Assets classified as current assets			
Stocks	479,035	477,964	– 1,070
Bonds	227,681	227,808	126
Other	40,038	39,188	– 850
Subtotal	746,755	744,961	– 1,793
Assets classified as fixed assets			
Stocks	1,041,030	1,928,794	887,763
Bonds	38,337	38,392	54
Other	1,000,578	771,210	– 229,368
Subtotal	2,079,945	2,738,396	658,450
Total	2,826,701	3,483,358	656,657

(Notes) **1. Method used to calculate market value**

(1) Listed negotiable securities

Valued mainly on the basis of the final closing prices on the Tokyo Stock Exchange

(2) Over-the-counter negotiable securities

Valued on the basis of trading prices such as those published by the Japan Association of Securities Dealers

(3) Beneficiary certificates for unlisted security investment trusts are valued on the basis of each trust's standard valuation

2. Consolidated balance sheet valuation of negotiable securities that are excluded from disclosure requirements

Assets classified as fixed assets

Unlisted stock except for over-the-counter stocks	870,367,000
Corporate bonds with stock warrants attached	10,000,000

(Derivative transactions)

※ The notes concerning derivative transactions for the interim period of the prior accounting fiscal year are included in the notes to the interim period financial statements.

(Current consolidated accounting fiscal year interim period) (As of April 30, 2001)

The Company has adopted hedge accounting and did not record this information for the current consolidated accounting fiscal year.

(Prior consolidated accounting fiscal year)

1. Circumstances of transactions (November 1, 1999 – October 31, 2000)

(1) Details and purpose of derivative transactions

From time to time, the Company uses forward exchange contracts and currency swap transactions in order to avoid the risk of future foreign exchange market exchange rate fluctuations for specific foreign currency-denominated assets and liabilities. In addition, the Company uses interest rate caps and swaps to limit the effect that a future rise in market interest rates will have on the interest paid by the Company.

(2) Transaction policy

The Company has adopted a policy of using derivatives transactions only for purposes of avoiding risks to assets and liabilities that are exposed to market price fluctuation risk. The Company does not engage in the use of derivatives transactions for the purpose of obtaining short-term trading gains (trading objectives) or for speculative purposes.

(3) Transaction-related risks

Derivative transactions are accompanied by market risk created by fluctuation of the market prices of the items covered by the transactions, and credit risk related to the possibility that counterparties may not perform their obligations in accordance with the transaction contract. Forward exchange contracts related to currencies used by the Company contain an element of risk created by fluctuations in foreign exchange market currency rates, and interest rate cap and interest rate swap transactions contain an element of risk created by fluctuations in market interest rates. The Company believes it faces minimal credit risk because the counterparties for its derivative transactions are domestic banks and securities firms with strong credit ratings.

(4) Transaction risk management system

The Company's basic policies concerning derivative transactions are decided by the board of directors, and executed and managed by the Treasury and Securities Section Manager in the Accounting Division based on the Company's internal management regulations. The corporate officer in charge of accounting reports on financial matters, including these derivative transactions, at the Company's regular meetings of the board of directors.

(5) Supplemental information concerning transaction market prices and other matters

Forward exchange contracts and currency swaps allocated to foreign currency-denominated assets and liabilities at the end of the interim period and accounted for on the interim financial statements through conversion into monetary assets and liabilities denominated in the relevant foreign currency are excluded from disclosure at market prices.

2. Transaction market value

The amounts of the Company's currency and interest rate derivative transactions and the amounts equivalent to the valuation profit and loss were small. Details of the transactions have been omitted because the amounts are deemed to be immaterial to the Company's financial position.

IV Business segment information

1. Segment information by type of business

Consolidated fiscal year interim period under review (From November 1, 2000 to April 30, 2001)

(Unit: Yen thousands)

	Construction equipment rental business	Steel sales business	Computer and peripheral equipment and other businesses	Total	Eliminations or entire company	Consolidated
1. Revenues and operating income						
Revenues						
(1) Sales to outside customers	28,048,269	3,912,105	679,853	32,640,228	—	32,640,228
(2) Sales or transfers between related segments	178	—	—	178	– 178	—
Total	28,048,447	3,912,105	679,853	32,640,407	– 178	32,640,228
Operating expenses	26,464,698	3,873,033	677,929	31,015,661	– 13,173	31,002,488
Operating income	1,583,749	39,072	1,923	1,624,745	12,994	1,637,740

Prior consolidated fiscal year interim period (From November 1, 1999 to April 30, 2000)

(Unit: Yen thousands)

	Construction equipment rental business	Steel sales business	Computer and peripheral equipment and other businesses	Total	Eliminations or entire company	Consolidated
1. Revenues and operating income						
Revenues						
(1) Sales to outside customers	52,750,998	7,913,856	1,331,730	61,996,584	—	61,996,584
(2) Sales or transfers between related segments	—	—	—	—	—	—
Total	52,750,998	7,913,856	1,331,730	61,996,584	—	61,996,584
Operating expenses	49,824,402	7,786,326	1,392,625	59,003,353	– 49,361	58,953,992
Operating income	2,926,596	127,530	– 60,895	2,993,231	49,361	3,042,592

(Notes) 1. Method of business classification

Businesses are classified based on consideration of similarities such as the type of labor and products, the nature of the business and the business markets.

2. Principal products, by business

Business	Principal products
Construction equipment rentals	Construction equipment such as hydraulic shovels, generators, temporary construction materials, construction safety equipment, temporary modular housing units, special rustproof and waterproof shields
Steel sales	Steel bar, sheet steel, steel products such as round bar, steel scrap
Computers and peripherals and other businesses	Computers and peripheral devices, telecommunications-related equipment, microturbine generators, microbrewery

2. Segment information by location

The Company does not report segment information by location because the Company did not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan during the current consolidated fiscal year interim period and the prior consolidated accounting fiscal year.

3. Foreign sales

The Company did not have any foreign sales during the current consolidated fiscal year interim period and the prior consolidated accounting fiscal year.