

Consolidated Balance Sheets

[As of April 30, 2003]

ASSETS

kanamoto co., ltd.

	Millions of yen			Thousands of U.S. dollars (Note)
	April 30, 2002 (Unaudited)	October 31, 2002	April 30, 2003 (Unaudited)	April 30, 2003 (Unaudited)
Current assets :				
Cash and cash equivalents	¥ 20,624	¥ 15,433	¥ 18,515	\$ 154,743
Short-term investments	592	79	28	231
Notes and accounts receivable, trade	20,439	23,121	21,533	179,966
Inventories	959	810	1,158	9,679
Deferred income taxes	247	167	249	2,084
Other current assets	3,160	2,960	2,617	21,875
Less : Allowance for doubtful accounts	(401)	(495)	(574)	(4,797)
Total current assets	45,620	42,075	43,526	363,781
Property and equipment :				
Rental equipment	52,392	50,009	45,161	377,444
Building and structures	15,216	15,177	15,346	128,253
Machinery and equipment	4,879	4,770	4,882	40,804
Less : Accumulated depreciation	(45,411)	(44,097)	(42,059)	(351,518)
	27,076	25,859	23,330	194,983
Land	24,635	24,601	24,623	205,788
Construction in progress	58	109	2	18
Total property and equipment	51,769	50,569	47,955	400,789
Investments and other assets :				
Investments in securities	3,745	3,682	3,508	29,316
Deferred income taxes	1,702	1,749	1,754	14,657
Other assets	1,628	1,819	1,741	14,558
Less : Allowance for doubtful accounts	(607)	(580)	(567)	(4,740)
Total investments and other assets	6,468	6,670	6,436	53,791
	¥ 103,857	¥ 99,314	¥ 97,917	\$ 818,361

Note : U.S. dollar amounts have been translated from yen for convenience only, at the rate of ¥119.65=US\$1, the approximate exchange rate on April 30, 2003.

LIABILITIES AND SHAREHOLDERS' EQUITY

kanamoto co.,ltd.

	Millions of yen			Thousands of U.S. dollars (Note)
	April 30, 2002 (Unaudited)	October 31, 2002	April 30, 2003 (Unaudited)	April 30, 2003 (Unaudited)
Current liabilities :				
Short-term bank loans	¥ 750	¥ 905	¥ 853	\$ 7,130
Current portion of long-term debt	20,962	24,965	20,138	168,311
Notes and accounts payable, trade	10,725	11,965	10,819	90,423
Accrued income taxes	921	19	790	6,600
Accrued bonuses for employees	573	541	507	4,235
Other current liabilities	1,489	1,625	1,259	10,520
Total current liabilities	35,420	40,020	34,366	287,219
Non-current liabilities :				
Long-term debt	33,863	24,700	29,082	243,057
Accrued pension and severance costs	2,055	1,676	1,745	14,590
Other liabilities	920	1,580	981	8,198
Total non-current liabilities	36,838	27,956	31,808	265,845
Minority interests	170	97	152	1,271
Shareholders' equity :				
Common stock	8,597	8,597	8,597	71,849
Additional paid-in capital	9,720	9,720	9,720	81,240
Retained earnings	13,038	13,044	13,536	113,130
Net unrealized gain (loss) on other securities, net of taxes	85	(108)	(91)	(764)
Treasury stock	(11)	(12)	(171)	(1,429)
Total shareholders' equity	31,429	31,241	31,591	264,026
	¥ 103,857	¥ 99,314	¥ 97,917	\$ 818,361

Consolidated Statements of Income

[For the six months ended April 30, 2003]

kanamoto co., ltd.

	Millions of yen			Thousands of U.S. dollars (Note)
	April 30, 2002 (Unaudited)	October 31, 2002	April 30, 2003 (Unaudited)	April 30, 2003 (Unaudited)
Rental revenues	¥ 21,024	¥ 40,561	¥ 21,044	\$ 175,877
Cost of rentals	15,327	30,631	15,514	129,657
Sales of goods	11,591	24,691	11,527	96,337
Cost of sales	8,847	19,376	8,755	73,171
Gross profit	8,441	15,245	8,302	69,386
Selling, general and administrative expenses	6,745	12,957	6,397	53,463
Operating income	1,696	2,288	1,905	15,923
Other income (expenses) :				
Interest and dividend income	11	56	39	328
Interest expenses	(242)	(475)	(212)	(1,768)
Others, net	259	259	(232)	(1,944)
Income before income taxes	1,724	2,128	1,500	12,539
Income taxes :				
Current	866	865	766	6,408
Deferred	(111)	59	(101)	(845)
	755	924	665	5,563
Income before minority interests	969	1,204	835	6,976
Minority interests in subsidiaries	38	(5)	54	450
Net income	¥ 931	¥ 1,209	¥ 781	\$ 6,526
			Yen	U.S.dollars (Note)
	April 30, 2002 (Unaudited)	October 31, 2002	April 30, 2003 (Unaudited)	April 30, 2003 (Unaudited)
Net income per share :				
Basic	¥ 30.79	¥ 39.99	¥ 25.88	\$ 0.22
Diluted	24.32	30.76	23.32	0.19

Note : U.S. dollar amounts have been translated from yen for convenience only, at the rate of ¥119.65=US\$1, the approximate exchange rate on April 30, 2003.

Consolidated Statements of Cash Flows

[For the six months ended April 30, 2003]

kanamoto co., ltd.

	Millions of yen			Thousands of U.S. dollars (Note)
	April 30, 2002 (Unaudited)	October 31, 2002	April 30, 2003 (Unaudited)	April 30, 2003 (Unaudited)
Cash flows from operating activities	¥ 8,708	¥ 10,646	¥ 6,346	\$ 53,040
Cash flows from investing activities	(617)	(442)	(313)	(2,614)
Cash flows from financing activities	(3,458)	(10,762)	(2,951)	(24,670)
Net increase (decrease) in cash and cash equivalents	4,633	(558)	3,082	25,756
Cash and cash equivalents at beginning of period	15,991	15,991	15,433	128,987
Cash and cash equivalents at end of period	¥ 20,624	¥ 15,433	¥ 18,515	\$ 154,743

Segment Information

[For the six months ended April 30, 2003]

kanamoto co., ltd.

	Construction related business	Steel related business	Information and communication related and other business	Total	Eliminations and corporate items	Consolidated
Sales						
Outside customers	¥ 29,239 \$ 244,370	¥ 2,777 \$ 23,209	¥ 554 \$ 4,635	¥ 32,570 \$ 272,214	¥ - \$ -	¥ 32,570 \$ 272,214
Intersegment	¥ - \$ -	¥ - \$ -	¥ - \$ -	¥ - \$ -	¥ - \$ -	¥ - \$ -
Total	¥ 29,239 \$ 244,370	¥ 2,777 \$ 23,209	¥ 554 \$ 4,635	¥ 32,570 \$ 272,214	¥ - \$ -	¥ 32,570 \$ 272,214
Operating expenses	¥ 27,398 \$ 228,981	¥ 2,809 \$ 23,476	¥ 531 \$ 4,442	¥ 30,738 \$ 256,899	(¥ 73) (\$ 608)	¥ 30,665 \$ 256,291
Operating profit	¥ 1,841 \$ 15,389	(¥ 32) (\$ 267)	¥ 23 \$ 193	¥ 1,832 \$ 15,315	¥ 73 \$ 608	¥ 1,905 \$ 15,923

Amounts shown in the table are millions of yen and thousands of U.S. dollars.

Outstanding Balance of Future Lease Payments (Consolidated)

[For the six months ended April 30, 2003]

kanamoto co., ltd.

	Millions of yen			Thousands of U.S. dollars (Note)
	April 30, 2002 (Unaudited)	October 31, 2002	April 30, 2003 (Unaudited)	April 30, 2003 (Unaudited)
Finance leases				
Within one year	¥ 3,789	¥ 4,663	¥ 5,147	\$ 43,019
After one year	7,264	13,357	15,531	129,805
Total	¥ 11,053	¥ 18,019	¥ 20,678	\$ 172,824
Operating leases				
Within one year	¥ 1,616	¥ 1,543	¥ 1,897	\$ 15,855
After one year	2,783	2,643	3,290	27,504
Total	¥ 4,399	¥ 4,186	¥ 5,188	\$ 43,359