

Fiscal Year ending October 31, 2004

Summary of First Quarter Operating Results (Consolidated)

March 5, 2004

Listed Company Name **Kanamoto Company, Ltd.**
Company Code Number **9678**
Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**
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1. Matters Related to Preparation of the Summary of Quarterly Operating Results

Are there any differences with the methods of recognition used in the accounting treatment for the most recent consolidated fiscal year? No

Are there any changes in the scope of consolidation and/or application of the equity method? No

2. Operating Results for the First Quarter of the Fiscal Year Ending October 31, 2004 (November 1, 2003 - January 31, 2004)

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

	Millions of yen	%
First quarter, fiscal year ending October 31, 2004	16,270	(?)
First quarter, fiscal year ended October 31, 2003	?	(?)
(Reference) Fiscal year ended October 31, 2003	63,686	

(Note) The Company did not disclose quarterly operating results in the fiscal year ended October 31, 2003. The percent change from the same period of the prior fiscal year has therefore been omitted.

Supplemental explanation concerning revenues

During the first quarter Japan's economy exhibited signs of a recovery. Manufacturing output was boosted by overseas demand in industries such as steel and shipbuilding that responded to China's growing economy. Positive signs were also evident in private sector capital investment in certain sectors. Nevertheless, given negative factors such as a reduction in public works and competition among firms, the environment in the construction industry sector where Kanamoto conducts its principal business remained severe.

To respond to this environment, the Company pursued specific sales and marketing efforts throughout the entire Kanamoto group. In the construction equipment rental business, this included strengthening development of new markets, such as rentals aimed at construction and maintenance works, while continuing to increase the percentage of more profitable equipment models, based on Kanamoto's new long-range management plan "Metamorphose." As a result, revenues were strong in the Tokyo metropolitan area, where construction equipment rental demand is vigorous and demand was boosted as the Company opened new sales branches. Even in regions where tough economic conditions are continuing, revenue growth overall was positive in most regions. This was a result of concentrating efforts on integrated rental equipment marketing by the entire group, including products such as temporary unit housing materials and safety products, and demand based on natural disaster recovery works in some areas.

The Company also moved to quickly close unprofitable sales branches as part of the "scrap and build" strategy planned at the start of the period. Altogether the Company closed three branches, including two in the Hokkaido region and one in the Tohoku region.

Based on the above actions, consolidated revenues for the first quarter exceeded the Company's initial plan objective and reached ¥16.27 billion.

(2) Events with a material affect on the corporate group's financial position and operating results during the quarter under review

There were no pertinent matters.

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 2004

(November 1, 2003 - October 31, 2004)

	Projected revenues	Projected ordinary income	Projected net income	Projected net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Interim	29,970	920	420	14.06
Full-year	59,590	1,450	580	19.42

(Qualitative information concerning projected operating results)

Because operating results for the quarter under review were generally close to the Company's plan, the projected operating results described above do not include any corrections to figures the Company previously released. Management prepared this projection based on information available to the Company as of the date this summary was released and forecasts about the future economic environment. The projection therefore includes risks and uncertainty factors.

Accordingly, there is no guarantee the Company will achieve the projection, and there is a possibility the Company's actual results might differ from the projected operating results depending upon the economic conditions surrounding the Company and its businesses, market trends, competitive conditions, and various factors in the future.