Fiscal Year ending October 31, 2005
Interim Financial Statements Bulletin (Consolidated)

June 10, 2005

Listed Company Name **Kanamoto Company, Ltd.**
Company Code Number **9678**
Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**
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Representative **Kanchu Kanamoto** President
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Date of Report to the Board of Directors June 10, 2005
SEC Accounting Standards The Company has not adopted SEC accounting standards

1. Consolidated Operating Results for the Interim Period ended April 30, 2005

(Nov. 1, 2004 – Apr. 30, 2005)

(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	%	%	%
Six months ended April 30, 2005	33,126	7.0	1,291	-18.2	1,185	-22.4
Six months ended April 30, 2004	30,955	- 5.0	1,578	-17.1	1,527	-15.0
Fiscal year ended October 31, 2004	61,336		1,878		1,749	

	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, 2005	463	-57.8	15.53	—
Six months ended April 30, 2004	1,097	40.6	36.75	—
Fiscal year ended October 31, 2004	1,097		36.50	—

Notes 1. Investment profit or loss accounted for by the equity method
Six months ended April 30, 2005 —
Six months ended April 30, 2004 —
Fiscal year ended October 31, 2004 —
2. Average number of shares (consolidated) outstanding during the period
Six months ended April 30, 2005 29,857,851 shares
Six months ended April 30, 2004 29,868,128 shares
Fiscal year ended October 31, 2004 29,865,301 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, 2005	85,510	33,090	38.7	1,108.32
Six months ended April 30, 2004	87,605	32,964	37.6	1,103.77
Fiscal year ended October 31, 2004	89,323	32,745	36.7	1,096.42

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

Six months ended April 30, 2005	29,856,811 shares
Six months ended April 30, 2004	29,865,040 shares
Fiscal year ended October 31, 2004	29,859,442 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, 2005	12,739	- 78	- 5,563	18,831
Six months ended April 30, 2004	4,955	119	- 1,896	15,141
Fiscal year ended October 31, 2004	6,230	-1,535	-4,923	11,734

(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, 2005

(November 1, 2004 - October 31, 2005)

	Revenues	Operating Income	Ordinary Income	Net Income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Full year	63,500	1,220	980	280

Reference: Projected net income per share of common stock (Full year) ¥9.38

*The above projections were prepared based upon information available to the Company at the time the projections were announced as well as various assumptions concerning the future economic and business environment. Actual operating results may differ from the projected figures depending upon various factors in the future. Please refer to Page 11 for details of the projections

I Current Conditions of the Company's Group

The Kanamoto Company group is comprised of the parent company, seven subsidiaries and two affiliated companies. The business activities of the group are centered on the rental of construction equipment, and the development of businesses involved in the rental and sale of a full line of construction-related materials. An explanation of each company's position with regard to its relevant business is provided below.

[Businesses related to the Construction Equipment Rental Division]

Daiichi Kikai Co., Ltd. (a consolidated subsidiary company) and **Kanki Corporation** (a consolidated subsidiary company) are engaged in the rental and sale of construction equipment and machines used for construction. These two subsidiary companies 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 consolidated subsidiary company) operates a rental business that provides temporary materials for construction use. **Assist Co., Ltd.** (a consolidated subsidiary company) and **Comsupply Co., Ltd.** (a non-consolidated subsidiary company) are engaged in the rental and sale of furniture and fixtures and safety products for the construction industry. The Company borrows rental assets from SRG Kanamoto Co., Ltd., Assist Co., Ltd. and Comsupply Co., Ltd. as needed to rent to its own customers.

In addition to the above companies, **Kanatech Co., Ltd.** (a consolidated subsidiary company) develops, manufactures and sells modular housing units for temporary use. **Kanki Maintenance Co., Ltd.** (a non-consolidated subsidiary company) is engaged primarily in repair of construction equipment.

[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 related to this division.

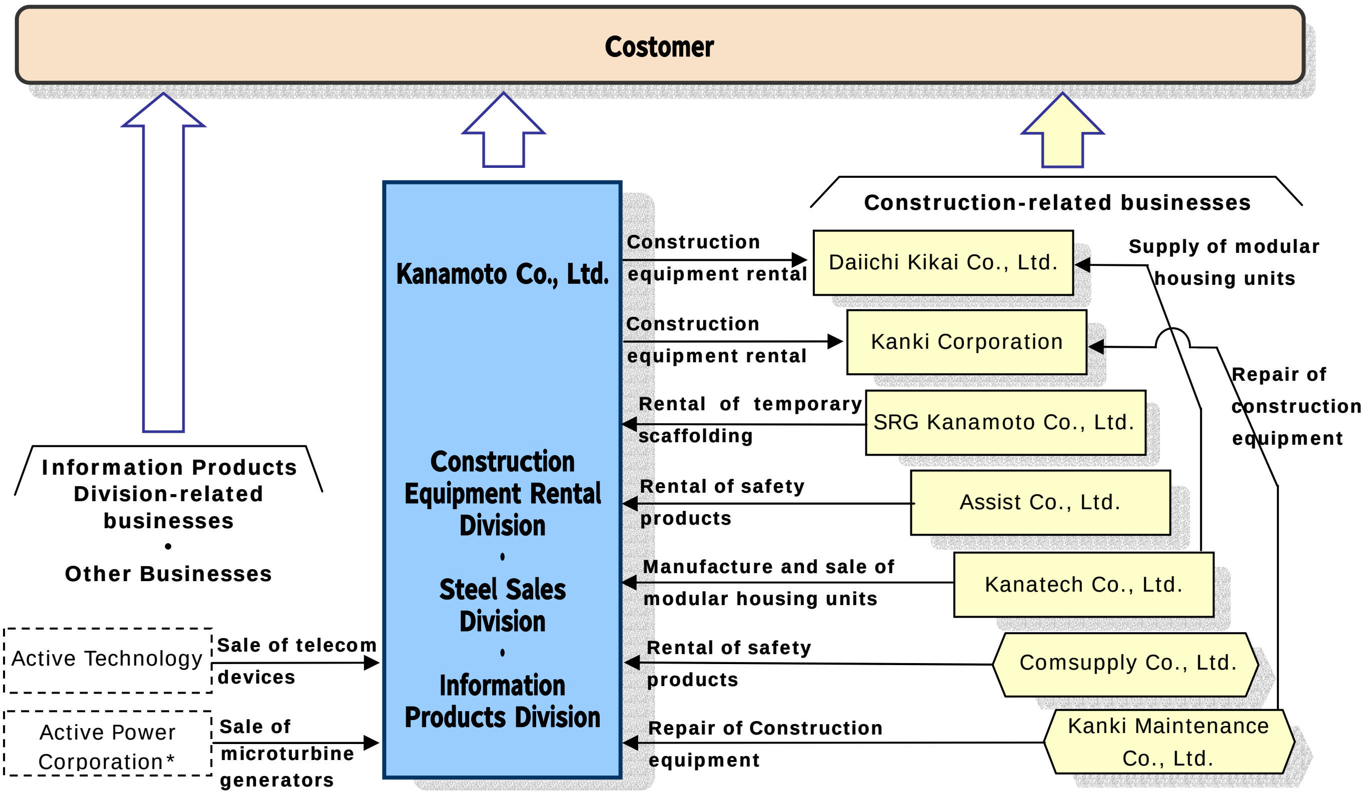
[Businesses related to the Information Products Division and Other Businesses]

As the Company's information and telecommunications-related division, Kanamoto's Information Products Division is engaged in the rental and sale of computers, computer peripheral equipment and equipment for the development of computer products. **Active Technology Corporation** (an affiliated company), which is engaged principally in the sale of telecommunications-related equipment such as wireless LAN devices, is affiliated with this division.

As a supplemental business, **Active Power Corporation** (an affiliated company) is engaged in the sale of microturbine generators

[Relationship of the Operating Businesses]

(Note) An asterisk indicates an affiliated company to which equity method is not applied



Lines indicate: Consolidated subsidiaries / Non-consolidated subsidiaries / Affiliated companies

II Management Policies

1. Basic policies concerning business management

Kanamoto and the Kanamoto Company group believe achieving sustainable growth and development of the group's firms will enable the group to contribute to the benefits of its stakeholders (its shareholders, customers, business partners, local communities, and employees and their families). This is the reason the Company has made the centerpiece of its action agenda the concept "constantly seek innovation and strive to energize the business," while viewing customer satisfaction as the basis of its business and focusing on adapting to changes in its management environment to the extent possible.

By taking maximum advantage of the rental business knowledge and experience accumulated over many years, and increasing earnings by providing highly functional services, Kanamoto believes it can satisfy the expectations and trust of its shareholders and group stakeholders, and truly contribute to society as a firm.

2. Basic policies concerning distribution of earnings

The Company places its primary emphasis on expanding shareholders' long-term overall investment return, while simultaneously regarding the maintenance of a stable return of earnings as the basis of its earnings distribution policy. Kanamoto's policy is to achieve a stable return of earnings to the extent possible, based on estimates of future earnings including its outlook for operating results.

At the same time, the Company utilizes its internal reserves by allocating funds for the introduction of rental equipment assets that will serve as the source of future earnings, thereby contributing substantially to the Company's continuity.

To provide for future changes in its capital policy, Kanamoto has established a flexible system for making purchases of treasury stock.

3. Policy concerning reduction of the Company's investment unit

One important issue for Kanamoto from the standpoint of capital policy is increasing the number of individual shareholders and improving the liquidity of the Company's stock. The Company recognizes that reducing the size of its stock investment unit is one effective measure to stimulate trading of the Company's shares. Nevertheless, given the position of Kanamoto's stock in the current market, the Company judges present conditions do not require an immediate reduction in the size of the stock investment unit. Management will maintain a flexible stance by continuing to review an increase in the liquidity of the stock, and study this issue while monitoring the authorities' revision of Japan's stock certificate custody system and introduction of the system for dematerialization of stock certificates. The Company currently also has no plans to execute a stock split.

4. Management indicators established as objectives

Kanamoto has always emphasized ROI (return on investment) and cash flow, and seeks growth in EBITDA+ (earnings before interest, taxes, depreciation and amortization) to meet its primary objective of establishing a solid management foundation. Kanamoto adopted these indicators because in its primary business of construction equipment rental, the Company faces a substantial capital investment burden and the profit or loss of its operations should be evaluated over a period of several years.

The following table shows the initial objectives set in the Company's long-term management plan "Metamorphose" (November 2003 to October 2008). This plan seeks to increase earnings while maintaining the EBITDA+ that will become the source of future profits. Although the Company has revised its full-year operating results outlook for the current consolidated fiscal year to project a decrease in earnings, this partially reflects temporary profit-reducing factors. Moreover, in light of its progress in achieving results from its long-range management plan measures, the Company has not revised its numerical targets for the consolidated fiscal year ending October 2006, which will be the turning point under "Metamorphose," or for the consolidated fiscal year ending October 2008, the final year of the plan.

		Fiscal Year ending	Fiscal Year ending
Consolidated operating results	Revenues	64,440	67,250
	Ordinary income	3,360	5,420
	Net income per	58yen	96 yen
Non-consolidated operating results (Kanamoto Company)	Revenues	58,000	60,600
	Ordinary income	3,160	5,070
	EBITDA+	18,029	19,553

5. Medium to long-term corporate management strategy

As discussed above, the numerical targets for the Company's long-range management plan "Metamorphose" (Five-Year Plan from November 2003 to October 2008) reflect a plan in which operating results will be under substantial pressure during the first two fiscal years after the plan's launch.

The Company will continue to pursue the optimization of operating assets begun in the prior consolidated fiscal year (i.e., seek to create a highly profitable asset portfolio while controlling new asset introductions and reducing depreciation and amortization expense). By creating a corporate structure and the business capabilities capable of responding fully to this tough management environment, and using its product line-up featuring state-of-the-art equipment not available from any other company to the maximum advantage, the Company will shift to earnings-focused management and maintain profitability, while seeking to avoid competition through its alliances with superior local firms in selected regions.

With regard to net revenues by region, the Company will focus on the development of low-cost branches equipped with a smaller product line-up in the Tokyo metropolitan area, with the goal of stabilizing the percentage of net revenues in the Honshu territory at about 70% of total revenues, while continuing to maintain its market share in the Hokkaido territory.

The Kanamoto Group and its alliance firms currently are active in many regions, from Hokkaido to Okinawa. In regions where its market share is low, the group will continue to build a marketing organization where customers are Number One, while working to ensure market share and improve equipment utilization rates through tie-ups with local construction equipment rental firms. The Company will seek to strengthen cooperation among these firms as the Kanamoto Group, and increase the synergistic effects from this approach, by seeking additional high-quality alliance members.

The Company seeks to create a strong Kanamoto that is evaluated positively by the market as the leading company in the construction equipment rental business, while simultaneously achieving the business objectives described above, and is focused on invigorating the Kanamoto Group so it is capable of prevailing in today's changing business environment.

6. Issues to be addressed by the Company

Because of the sharp decrease in total construction investment, the construction industry continues to face a challenging management environment. The negative impact has been severe particularly in areas that traditionally had relied heavily on public works construction, reflecting the crisis in local government finances.

Because of this environment, demand for the construction equipment rental industry as a whole has been declining. On the other hand, however, reliance on construction equipment rentals is expected to rise as firms increasingly turn to rentals for equipment used at construction sites.

Nevertheless, under current market conditions, construction equipment rental firms are scrambling for a share of a shrinking pie, price competition is unabated and the number of rental days per rental asset continues to fall, and the Company is unable to take maximum advantage of the overwhelming

dominance of Kanamoto's asset portfolio.
The remarkable drop in equipment rental fees faced by the industry today and the concomitant decrease in earnings has also resulted in a substantial slump in profitability, and is the single greatest issue shaking the foundation of the construction equipment rental business. Currently both the construction equipment rental industry and construction equipment manufacturers are struggling to improve this situation, and as the leading company in the industry Kanamoto also is taking corrective measures.

Moreover, in recent years accidents injurious to individuals and property caused by construction equipment and vehicles during rental have occurred with alarming frequency, and the trend in incidents of theft of rental construction equipment from job sites has been climbing. While the Company has always offered the Kanamoto comprehensive compensation system from the standpoint of customer convenience, we have implemented additional enhancements to this system and will begin offering this service as a new Kanamoto comprehensive compensation system from June 2005. We anticipate broader use of this new compensation system will help reduce costs Kanamoto has incurred in the past, including rental construction equipment maintenance and repair costs and compensation for time away from work due to injury. In addition, given its present circumstances, the Company must accelerate the pace of its advance into the Tokyo metropolitan area, and further improving the capabilities of Kanamoto's mid-level employees will be indispensable for this effort. The Company therefore made changes to its personnel system during the consolidated fiscal year interim period under review, and revised its employee training system, and also has been implementing special training programs for mid-level employees since last year.

Recently natural disasters have occurred as frequently as accidents. During the past year alone a total of 19 typhoons, including those that approached Japan, left wide swathes of damage in various locations throughout Japan, and ten typhoons moved inland with full force, the largest number on record. Japan also suffered from numerous volcanic eruptions and earthquakes.
Through its construction equipment rental business, the Kanamoto Group is working even today to assist with disaster recovery in the various stricken areas, and is working to strengthen its group organization to enable it to respond to requests for assistance anywhere in Japan, whenever and wherever disaster strikes. Following the Niigata Chuetsu Earthquake, the Kanamoto group contributed materials and offered items such as temporary housing units, temporary toilet facilities and heating equipment immediately after the earthquake occurred, and put priority on loans of equipment for lifeline restoration works. Based on this past disaster relief experience, Kanamoto will work to create a disaster recovery support organization in cooperation with other companies in the construction equipment rental industry, construction firms and local municipal governments, based on the principle of humanitarian assistance first.

7. Basic approach concerning corporate governance and status of corporate governance measures

(1) Basic approach concerning corporate governance

Kanamoto recognizes that establishing a relationship of trust with its stakeholders is vitally important for the stable development of the Company. To put this relationship of trust on an even stronger foundation, the Company has implemented measures to strengthen its in-house management system for corporate governance, maintain and improve management transparency and fairness, and develop activities that will ensure timely disclosure and establish an information feedback system for management.

(2) Status of corporate governance measures

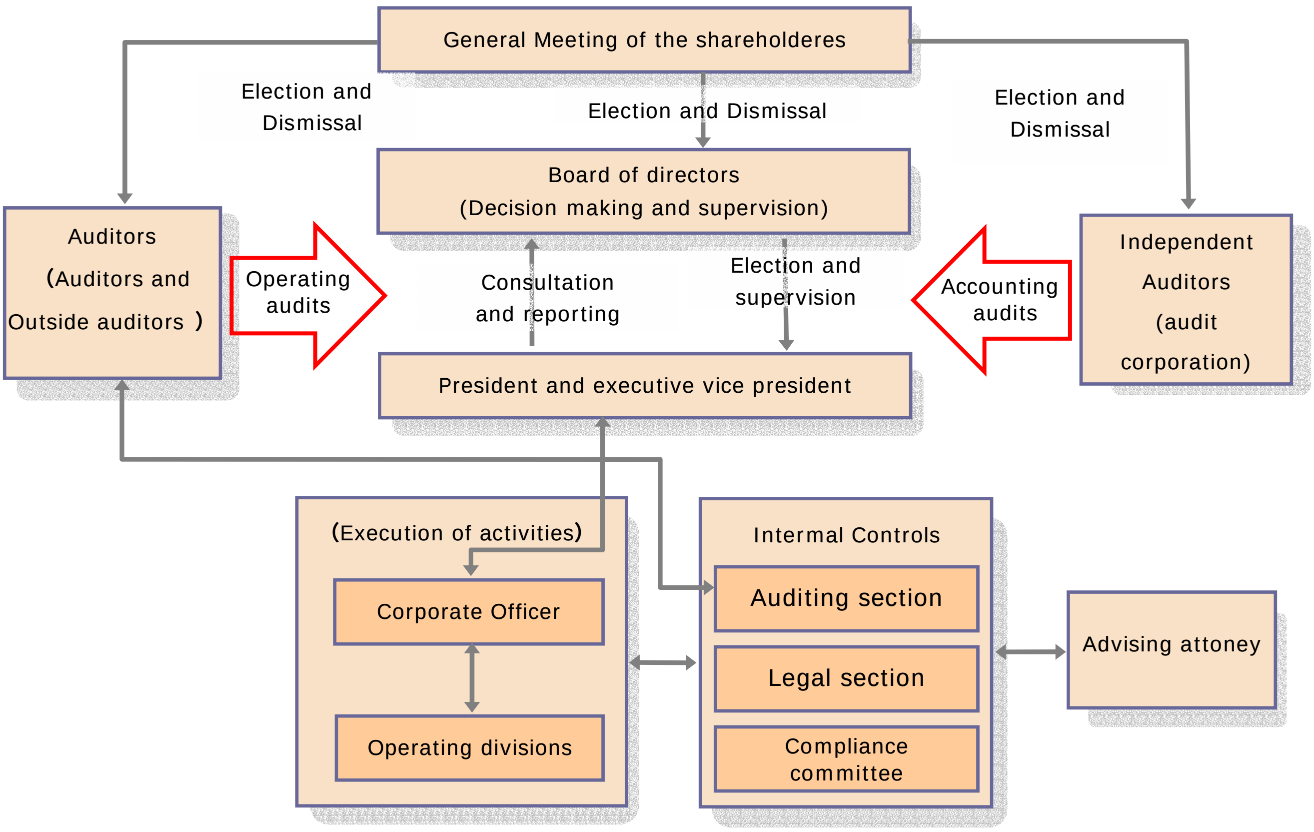
Kanamoto Company's Board of Directors is composed of nine directors, including two outside directors. As the highest decision-making body concerning execution and supervision of the Company's business strategies and business plans, the Board of Directors acts to respond quickly to the Company's continually evolving business conditions based on its governing provisions.

Kanamoto has adopted the auditor system. The Audit Committee is composed of four auditors (including two outside auditors), who participate in all meetings of the Board of Directors and provide a fully satisfactory audit function in an environment that enables them to share proper opinions, such as exchanging information with managers, on a daily basis.

Kanamoto also has introduced a corporate officer system to clarify responsibility for execution of the Company's businesses. To provide a system for keeping employees well informed about Company policies, the Company has consolidated its organizational framework, and is making every effort to prepare precise business strategies that conform to the market environment and execute comprehensive management controls at each business division and each affiliated company.

In addition to expanding the authority of the auditors' office, strengthening its internal audit system, and preparing ethics guidelines and establishing a Compliance Committee that includes outside committee members, the Company has taken steps to strengthen observance of laws and ethics regulations.

жKanamotot's corporate governance organization



III Operating Results and Financial Position

(1) Operating results

a) Summary of consolidated fiscal year interim period operating results

Despite numerous factors still affecting the external environment, during the consolidated fiscal year interim period under review there were visible signs of a recovery centered on manufacturing. The shift to improving economic circumstances in the Tokyo metropolitan area and surrounding regions continued. Other regions, however, were less fortunate in benefiting from these positive changes. Overall, conditions remained unchanged despite improving business sentiment, and the gap between the Tokyo metropolitan area and other regions in terms of both local economic circumstances and personal consumption were actualized further.
Conditions were similar in the construction industry, which is a major customer for Kanamoto's services. The difference between the Tokyo metropolitan area, where public works and private sector capital investment are linked and produce a synergistic effect, and other regions where this effect is less pronounced, was thrown into sharp relief as the tough management environment continued.

[Construction-related business]

In Kanamoto's main business in the construction equipment rental business, market conditions improved steadily in regions where Tokyo, Osaka and Nagoya are the key market areas, which enjoy extensive private sector capital investment, thanks to a recovery in private demand. In regions that depend heavily on public works, however, demand other than disaster recovery work decreased markedly and the business environment remained severe. In the construction-related businesses of the entire Kanamoto Group, for the consolidated fiscal year interim period under review, consolidated revenues increased 5.6% from the same period of the prior consolidated fiscal year to ¥29,849 million, but operating income fell 22.1% year-on-year to ¥1,177 million.

For the Company's Construction Equipment Rental Division on a standalone basis, rental revenues increased 1.8% compared with the same period of the prior consolidated fiscal year to ¥20,259 million, while sales dropped 44.5% year-on-year to ¥5,543 million. This drop reflected reductions in used equipment sales as provided in the Company's initial plan. As a result, total revenues for the Construction Equipment Rental Division were ¥25,802 million, down 4.6% from the same period of the prior consolidated fiscal year.
By region, the Company's rental revenues decreased 6.1% in the Hokkaido territory, where disaster relief work ended and public works and large-scale construction are limited. In the Tohoku territory, the Company achieved growth in specialized areas, such as machines for ground improvement, and revenues increased 2.2% year-on-year. On the other hand, revenues grew steadily in both the Kanto-Shinetsu territory and the Kinki-Chubu territory, which include major metropolitan areas, as the result of new sales branches opened by the Company. Revenues increased 11.5% year-on-year in the Kanto territory and 11.4% in the Kinki-Chubu territory, which offset the drop in revenues in the Hokkaido territory. As a result of these changes, the percentage of total rental revenues accounted for by Hokkaido and Honshu plus other regions were 33.4% are 66.6%, respectively, as the Company further shifted its focus to Honshu.
Recovery works in parts of the Kinki-Chubu territory were brisk in the wake of natural disasters last year that were designated serious disasters. Following the Niigata Chuetsu Earthquake, the Company received orders related to temporary housing units for restoration construction, and full-scale restoration works will be carried out in the second half of the Company's current fiscal year.

During the consolidated fiscal year interim period under review, Kanamoto increased the total number of branches by four to 144 branches. Only one location was closed, the Asahikawa South Equipment Center in Asahikawa, Hokkaido. Thus one branch was closed in the Hokkaido territory, while four branches were added in the Tohoku territory and one branch was added in the Kanto-Shinetsu territory. No branches were opened or closed in the Kinki-Chubu territory.

Turning to the operations of its consolidated subsidiaries, Daiichi Kikai Co., Ltd., which manages a construction equipment rental business in Kyushu, achieved a 19.9% increase in revenues compared with the same period of the prior consolidated fiscal year, thanks to strong sales of used temporary housing units, but operating income fell 20.4% year-on-year under pressure from capital investment for additions to rental equipment. This resulted in revenue growth and a decline in earnings.

SRG Kanamoto Co., Ltd. saw its revenues decrease by 6.8% from the same period of the prior consolidated fiscal year under the influence of a drop in construction work, but improved its operating profit and loss by 5.9% year-on-year by reducing its cost of revenues from operations. Assist Co., Ltd. was affected by cutbacks in public works, and was unable to increase revenues from rentals of safety equipment, its main products, and saw its revenues shrink 8.7% from the same period of the prior consolidated fiscal year. Operating income also fell year-on-year by 13.7%.

Kanki Corporation, which became a new consolidated subsidiary in the prior consolidated fiscal year, was subject to a change in accounting accompanying the change in that company's accounting period. Although revenues increased 19.0% compared to the initial plan value, the company booked an operating loss resulting from an increase in small-sum assets because of the renewal of rental equipment assets and its response to disaster relief works.

Kanatech Co., Ltd., which provides unique manufacturing services within the group, saw its revenues grow 4.4% year-on-year, but posted an operating loss because of higher manufacturing costs resulting from a jump in materials costs. Consolidation expenses resulting from the consolidation of profitable branches were also a factor.

[Steel Sales-related business]

Supported by raw materials prices and strong exports since last year, the Steel Sales Division maintained sales prices at a high level. The division's business was also boosted by successful participation in large-scale projects in Hokkaido and strong results from the handling of new materials (the KT Roof System, a highly durable insulated and waterproof roofing system). As a result, revenues increased 25.0% year-on-year to ¥3,062 million, and operating profit and loss changed from a loss in the same period of the prior consolidated fiscal year to positive operating income of ¥23 million.

[Information Products-related business and Other Businesses]

Although rental rates remained low, rental revenues for the Information Products Division rose 9.7% from the same period of the prior consolidated fiscal year. This reflected growth in personal computer demand with the economic recovery in the Tokyo metropolitan area, and an increase in the number of large projects increased after the start of the Company's fiscal year. Revenues from sales, on the other hand, dropped 69.0% year-on-year because there were no new products to replace LAN products, the division's core product, and product sales fell.

As a result of the above, revenues for the entire division were off 10.6% from the same period of the prior consolidated fiscal year to ¥215 million, and operating income was flat at ¥10 million.

〔 **Fiscal Year ending October 31, 2004 Interim Consolidated Operating Results** 〕

(Million yen; % change from prior year)

	Revenues		Operating Income		Ordinary Income		Net Income	
Consolidated FY interim period	33,126	7.0	1,291	-18.2	1,185	-22.4	463	-57.8
Prior FY interim period	30,955	-5.0	1,578	-17.1	1,527	-15.0	1,097	40.6

b) Outlook for the next consolidated fiscal year (Business Period ending October 2005)

Significant concerns remain that Japan's economic recovery might still be disrupted at points largely susceptible to the external environment. In the construction equipment rental business in particular, which is Kanamoto's principal business, the cutbacks in public works in many regions including Hokkaido is more severe than anticipated, despite the fact the Company initially made strong reductions in local construction demand in its initial projections. These conditions are expected to continue during the second half of the consolidated fiscal year.

Because the majority of the Company's earnings are concentrated in the first six months of the fiscal year, which overlaps the construction industry's busy period, based on its review of earnings conditions during the consolidated fiscal year interim period under review, local economic conditions and market trends, the Company has revised the operating results outlook for the Business Period ending October 2005 (fiscal year ending October 2005 (November 1, 2004 - October 31, 2005)), which it released at the presentation of Company operating results on December 13, 2004, as shown below.

Fiscal year ending October 2005 Revision of projected operating results (Consolidated)
(November1, 2004-October31,2005)

(Millions of yen)

	Revenue	Operating Income	Ordinary income	Net income
Prior projection (A)	63,400	2,130	1,790	740
Revised projection (B)	63,500	1,220	980	280
Increase(decrease) (B－A)	100	-910	-810	-460
Rate of change	0.2%	-42.7%	-45.3%	-62.2%
Prior fiscal year results (fiscal year ended October 2004)	61,336	1,878	1,749	1,097

Fiscal year ending October 2005 Revision of projected operating results(Non-Consolidated)
(November1, 2004-October31,2005)

(Millions of yen)

	Revenue	Operating Income	Ordinary income	Net income
Prior projection (A)	57,050	1,960	1,890	900
Revised projection (B)	56,920	1,320	1,340	350
Increase(decrease) (B－A)	-130	-640	-550	-550
Rate of change	-0.2%	-32.7%	-29.1%	-61.1%
Prior fiscal year results (fiscal year ended October 2004)	59,274	1,842	1,827	1,187

[Reasons for revision]

Rental revenues are forecast to fall below the Company's initial plan target because of the circumstances discussed above. Because product sales will remain comparatively robust, however, the Company believes it can anticipate similar results in the second half of the consolidated fiscal year and revenues are forecast to be nearly unchanged from plan.

Nevertheless, with regard to operating income and ordinary income, gross margin is expected to exceed last year's results, but the Company forecasts selling, general and administrative expenses to exceed its initial plan because of the effect of rental revenues falling below plan, the burden for the pro forma standard tax introduced during the current fiscal year and other factors. Finally, from the standpoint of conservative accounting, the Company plans to book reserves for valuation losses on loans to subsidiary companies and affiliated companies and equities, and this will affect net income. Based on these factors, the Company decided to revise its initial outlook substantially in a more conservative direction.

The Company also decided to revise its consolidated operating results because Kanki Corporation and Kanatech Co., Ltd. experienced earnings declines that were larger than projected in the initial plan. At Kanki Corporation, however, operating results are expected to improve in the next fiscal year, because the decrease in earnings was the result of a temporary cost burden resulting from an increase in rental assets and small-sum assets that will contribute to Kanki's business restructuring, and at Kanatech Co., Ltd. the replacement of that company's temporary housing units had been planned.

[Outlook for the next consolidated fiscal year]

In the Construction Equipment Rental Division, Kanamoto will seek to strengthen its organization in every business territory and work to maintain earnings. The Company will focus on enhancing its bases to aggressively participate in the numerous large-scale, private sector-related construction projects in regions such as the Tokyo metropolitan area and the Kanto region, where construction equipment rental demand is strong. In the Tohoku, Tokai and Kinki territories, revenues have increased compared with the prior consolidated fiscal year, and the Company believes these conditions will continue. In the Hokkaido territory, where the environment is severe, the Company will reassign personnel, merge and consolidate bases and continue efforts to maintain the level of earnings in light of the vital importance of this region as Kanamoto's base of operations. With regard to the establishment of new bases, the Company is studying the creation of about four bases in the Tokyo metropolitan area during the one-year period until the spring of 2005.

A large-scale, public works-related supplementary budget totaling ¥1,238,400 million has been appropriated for disaster relief works, and Kanamoto is already responding vigorously to such work in regions with disaster relief work, such as Fukui Prefecture. Kanamoto has decided to locate an earthquake disaster reaction office in Ojiya City in Niigata Prefecture, because full-scale restoration construction following the Niigata Chuetsu Earthquake will begin during the second half of the current business period. The Company will respond to asset allocations in disaster recovery areas through flexible inter-branch transfers of assets stored at existing branches.

In its Steel Sales business, the Company will bolster sales of new materials for expansion and rehabilitation of existing facilities because it detects a slowdown in the upward trend in the steel materials market, and because steel demand in Hokkaido is supported by private sector demand. In the Information Products business, Kanamoto will concentrate on rentals of Sun Microsystems products, which are a specialized market, and on increasing the number of customers outside of Tokyo in Sendai, Osaka and Nagoya, based on its expectation that the economic recovery and large-scale rental projects will continue.

Although the environment surrounding Kanamoto will remain challenging, the Kanamoto Group is united and will move forward to accomplish its long-range management plan.

IV Interim Consolidated Financial Statements

1. Interim Consolidated Balance Sheets

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

Category / Period	Prior Consolidated Fiscal Year Interim Period (As of April 30, 2004)		Current Consolidated Fiscal Year Interim Period (As of April 30, 2005)		Prior Fiscal Year Summary Consolidated Balance Sheet (As of October 31, 2004)	
	Amount	Percent	Amount	Percent	Amount	Percent
(Assets)						
Current Assets						
Cash and deposits	15,149,601		18,839,080		11,742,173	
Notes and accounts receivable, trade	19,551,382		12,705,791		23,480,548	
Negotiable securities	19,038		—		—	
Inventory	1,043,460		575,110		703,059	
Construction equipment	2,120,993		1,688,674		1,905,762	
Deferred tax assets	283,583		371,742		252,069	
Other current assets	298,436		648,807		429,435	
Allowance for doubtful accounts	-561,565		-680,494		-730,669	
Total Current Assets	37,904,929	43.3	34,148,712	39.9	37,782,380	42.3
Fixed Assets						
Tangible Fixed Assets *1						
Rental equipment	10,950,116		10,452,285		10,309,578	
Buildings and structures	6,898,402		6,752,856		7,011,800	
Machinery, equipment and delivery equipment	950,300		848,215		907,542	
Land	24,651,537		26,062,314		26,112,181	
Construction in progress	11,149		95,752		2,793	
Other tangible fixed assets	420,731		342,568		361,109	
Total Tangible Fixed Assets	43,882,237	50.1	44,553,992	52.1	44,705,006	50.1
Intangible Fixed Assets						
Total Intangible Fixed Assets	113,482	0.1	782,724	0.9	821,637	0.9
Investments and Other Assets						
Investment securities	3,821,658		4,318,655		3,938,162	
Deferred tax assets	917,206		749,681		911,019	
Other assets	1,583,838		2,146,377		2,826,514	
Allowance for doubtful accounts	-618,021		-1,189,438		-1,660,994	
Total Investments and Other Assets	5,704,681	6.5	6,025,276	7.1	6,014,701	6.7
Total Fixed Assets	49,700,401	56.7	51,361,993	60.1	51,541,344	57.7
Total Assets	87,605,331	100.0	85,510,705	100.0	89,323,725	100.0

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

Category \ Period	Prior Consolidated Fiscal Year Interim Period (As of April 30, 2004)		Current Consolidated Fiscal Year Interim Period (As of April 30, 2005)		Prior Fiscal Year Summary Consolidated Statement of Income (As of October 31, 2004)	
	Amount	Percent	Amount	Percent	Amount	Percent
(Liabilities)						
Current Liabilities						
Notes and accounts payable, trade	10,539,732		13,039,913		13,405,603	
Short-term bank loans	934,845		655,972		676,639	
Long-term bank loans due within one year	10,445,875		10,497,496		10,935,496	
Corporate taxes payable	682,306		708,982		368,813	
Accrued bonuses to employees	464,132		532,609		480,597	
Accounts payable, other	4,746,007		3,327,415		4,129,127	
Other current liabilities	603,304		610,636		623,001	
Total Current Liabilities	28,416,203	32.4	29,373,025	34.4	30,619,278	34.3
Long-term Liabilities						
Long-term bank loans	21,202,424		19,185,855		21,952,103	
Accrued employees retirement benefits	1,185,974		1,341,001		1,228,829	
Retirement allowances to directors and auditors	94,979		120,535		96,281	
Long-term accrued expenses	3,601,192		2,237,469		2,496,910	
Consolidation adjustment	14,679		—		—	
Other long-term liabilities	44,150		72,491		125,226	
Total Long-term Liabilities	26,143,401	29.9	22,957,352	26.8	25,899,351	29.0
Total Liabilities	54,559,604	62.3	52,330,378	61.2	56,518,630	63.3
(Minority Interests)						
Minority interests	81,573	0.1	89,536	0.1	59,245	0.0
(Shareholders' Equity)						
Common stock	8,596,737	9.8	8,596,737	10.0	8,596,737	9.6
Additional paid-in capital	9,720,343	11.1	9,720,343	11.4	9,720,343	10.9
Earned surplus	14,182,462	16.2	14,071,358	16.5	13,913,568	15.6
Valuation difference on other negotiable securities	643,902	0.7	886,387	1.0	697,675	0.8
Treasury stock	-179,292	-0.2	-184,036	-0.2	-182,475	-0.2
Total Shareholders' Equity	32,964,152	37.6	33,090,790	38.7	32,745,849	36.7
Total Liabilities and Shareholders' Equity	87,605,331	100.0	85,510,705	100.0	89,323,725	100.0

2. Interim Consolidated Statements of Income

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

Category \ Period		Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)		Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)		Prior Fiscal Year Summary Consolidated Statement of Income (From November 1, 2003 to October 31, 2004)	
		Amount	Percent	Amount	Percent	Amount	Percent
Revenues from operations							
Rental revenues		20,831,504		22,504,784		39,759,242	
Sales		10,124,280		10,621,999		21,577,015	
Total revenues from operations		30,955,785	100.0	33,126,783	100.0	61,336,258	100.0
Cost of revenues from operations							
Cost of rental revenues		15,241,041		16,332,000		29,998,533	
Cost of goods sold		7,830,897		8,564,883		17,018,896	
Total cost of revenues		23,071,938	74.5	24,896,884	75.2	47,017,429	76.6
Gross profit		7,883,846	25.5	8,229,899	24.8	14,318,828	23.4
Selling, general and administrative expenses	*1	6,305,263	20.4	6,938,617	20.9	12,440,160	20.3
Operating income		1,578,582	5.1	1,291,282	3.9	1,878,668	3.1
Non-operating revenues							
Interest revenue		578		2,985		2,781	
Dividend income		26,796		26,826		68,308	
Gain on sale of investment securities		34,466		17,807		47,261	
Insurance benefits		16,893		16,601		28,850	
Rents received		44,302		46,801		113,474	
Cash bonus received		656		888		1,283	
Consolidation adjustment account write-off		2,922		—		5,845	
Other		102,282		70,758		170,632	
Total non-operating revenues		228,899	0.7	182,669	0.6	438,438	0.7
Non-operating expenses							
Interest expense		172,513		180,106		347,660	
Other		107,076		108,362		219,738	
Total non-operating expenses		279,589	0.9	288,469	0.9	567,399	0.9
Ordinary income		1,527,892	4.9	1,185,481	3.6	1,749,707	2.9
Extraordinary profits							
Gain on sale or retirement of fixed assets	*2	442		4,742		8,334	
Valuation gain on investment partnership		53		6,299		5,130	
Gain on return of entrusted portion of welfare pension fund		606,420		—		606,420	
Other		5,260		103,378		342	
Total extraordinary Profits		612,176	2.0	114,419	0.3	620,226	1.0

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

Category \ Period		Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)		Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)		Prior Fiscal Year Summary Consolidated Statement of Income (From November 1, 2003 to October 31, 2004)	
		Amount	Percent	Amount	Percent	Amount	Percent
Extraordinary losses							
Loss on sale or retirement of fixed assets	*3	73,499		40,181		97,824	
Valuation loss on investment securities		10,000		221		42,544	
Valuation loss on investment partnership		14,803		5,470		15,613	
Transfer to allowance for doubtful accounts to affiliated companies		—		192,465		—	
Other		—		19,608		1,802	
Total extraordinary losses		98,302	0.3	257,947	0.8	157,785	0.3
Income before taxes and adjustments		2,041,765	6.6	1,041,953	3.1	2,212,149	3.6
Corporate, local and business taxes		643,560	2.1	634,288	1.9	839,083	1.4
Adjustment for corporate and other taxes		259,390	0.8	-86,311	-0.3	256,687	0.4
Minority interest in income or loss		41,267	0.1	30,291	0.1	18,939	0.0
Net income		1,097,547	3.6	463,684	1.4	1,097,439	1.8

3. Interim Statements of Consolidated Retained Earnings

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

Category / Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)		Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)		Prior Fiscal Year Summary Consolidated Statement of Cash Flows (From November 1, 2003 to October 31, 2004)	
	Amount		Amount		Amount	
(Capital Surplus)						
Balance of capital surplus at the beginning of the period		9,720,343		9,720,343		9,720,343
Balance of capital surplus at the end of the interim period		9,720,343		9,720,343		9,720,343
(Earned Surplus)						
Balance of earned surplus at the beginning of the period		13,400,060		13,913,568		13,400,060
Increase in earned surplus						
Interim period net income	1,097,547	1,097,547	463,684	463,684	1,097,439	1,097,439
Decrease in earned surplus						
Dividends	268,819		298,594		537,604	
Directors and auditors' bonuses	14,100		7,300		14,100	
Decrease in earned surplus from merger of non-consolidated subsidiary	32,226	315,145	—	305,894	32,226	583,931
Balance of earned surplus at the end of the interim period		14,182,462		14,071,358		13,913,568

4. Interim Consolidated Statements of Cash Flows

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

Category \ Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Fiscal Year Summary Consolidated Statement of Cash Flows (From November 1, 2003 to October 31, 2004)
	Amount	Amount	Amount
Cash flow from operating activities			
Income before taxes and adjustments	2,041,765	1,041,953	2,212,149
Amortization of consolidation adjustment account	-2,922	54,289	-5,845
Depreciation and amortization expense	2,561,656	2,434,740	5,294,745
Gain on sale or retirement of fixed assets	-442	-4,742	-8,334
Loss on sale or retirement of fixed assets	73,499	40,181	97,824
Installment purchases of assets for small-value rentals	8,663	46,432	12,475
Reclassification of cost of sales associated with disposal of construction equipment	17,097	4,924	22,224
Reclassification of cost of sales associated with disposal of rental assets	889,142	450,189	1,482,068
Expenditures for acquisition of rental assets	-195,017	-1,421,374	-1,278,248
Valuation loss on investment securities	10,000	221	42,544
Gain on sale of investment securities	- 34,466	-17,807	-47,261
Increase in allowance for doubtful accounts	121,894	-521,731	152,945
Increase (decrease) in accrued bonuses to employees	21,264	52,012	6,692
Increase (decrease) in accrued employees retirement benefits	-591,340	112,171	-548,485
Increase in retirement allowances to directors and auditors	-102,113	24,253	-101,749
Interest revenue and dividend income	- 27,375	-29,811	-71,090
Interest expense on installment purchases of rental assets	64,938	36,464	111,954
Interest expense	172,513	180,106	347,660
(Increase) decrease in accounts receivable, trade	1,915,433	10,774,757	-944,131
(Increase) decrease in inventory assets	-188,614	127,949	204,823
Increase (decrease) in accounts payable, trade	-526,440	-365,689	1,071,687
Increase (decrease) in accounts payable, other	- 81,952	119,717	239,627
Directors and auditors' bonuses paid	- 14,100	-7,300	-14,100
Other, net	-352,126	90,445	-538,148
Subtotal	5,780,956	13,222,355	7,742,029
Interest and dividends received	27,375	29,811	71,090
Interest expense	-243,329	-218,317	-463,881
Payment of corporate and other taxes	-609,674	-294,120	-1,119,008
Cash flow from operating activities	4,955,327	12,739,730	6,230,229

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

Category / Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Fiscal Year Summary Consolidated Statement of Cash Flows (From November 1, 2003 to October 31, 2004)
	Amount	Amount	Amount
Cash flow from investing activities			
Disbursements for investments in term deposits	—	—	-1
Funds used for the purchase of tangible fixed assets	- 86,540	-250,051	-1,899,402
Funds provided from the sale of tangible fixed assets	2,801	118,689	15,555
Funds used for the purchase of intangible fixed assets	- 20,540	-44,151	-182,859
Funds used for the purchase of investment securities	-588,401	-444,132	-1,044,472
Funds provided from the sale of investment securities	888,970	539,556	1,332,729
Funds used for payment of capital contribution	- 10	—	-10
Funds used for purchase of consolidated subsidiary stock	- 27,875	—	-27,875
Funds provided from purchase of subsidiary company stock following change in scope of consolidation	—	—	319,306
Other	- 48,581	1,096	- 48,581
Cash flow from investing activities	119,823	-78,992	-1,535,610
Cash flow from financing activities			
Decrease in short-term bank loans	221,486	-20,667	-36,718
Funds provided by long-term bank loans	6,400,000	2,500,000	11,930,000
Funds used to repay long-term bank loans	- 5,158,816	-5,704,248	-10,709,516
Funds used for repayment of installment obligations	- 3,088,038	-2,038,759	-5,564,061
Funds used for the purchase of treasury stock	-1,973	-1,560	-5,157
Payment of dividends to parent company	-268,819	-298,594	-537,604
Other	-150	—	-150
Cash flow from financing activities	- 1,896,311	-5,563,830	-4,923,208
Increase (decrease) in cash and equivalents	3,178,839	7,096,906	-228,589
Balance of cash and equivalents at beginning of period	11,920,620	11,734,154	11,920,620
Increase in cash and equivalents accompanying merger with non-consolidated subsidiary	42,124	—	42,124
Balance of cash and equivalents at end of the interim period	15,141,584	18,831,061	11,734,154

5. Significant Accounting Policies for the Consolidated Financial Statements

Category / Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Consolidated Fiscal Year (From November 1, 2003 to October 31, 2004)
1. Companies included in the consolidation	(1) Number of consolidated companies: 4 Consolidated company name: Assist Co., Ltd. SRG Kanamoto Co., Ltd. Kanatech Co., Ltd. Daiichi Machine Industries Co., Ltd. (2) Main non-consolidated subsidiaries Non-consolidated subsidiary company name Polyshield Services Co., Ltd. Com Supply Co., Ltd. (Reason for exclusion from consolidation) The size of the non-consolidated subsidiaries is small and their net assets, sales and interim period profit or loss (amount corresponding to equity) and retained earnings (amount corresponding to) are small in size and do not have a material effect on the consolidated interim financial statements.	(1) Number of consolidated companies: 5 Consolidated company name: Assist Co., Ltd. SRG Kanamoto Co., Ltd. Kanatech Co., Ltd. Daiichi Kikai Co., Ltd. Kanki Corporation (2) Main non-consolidated subsidiaries Non-consolidated subsidiary company name Comsupply Co., Ltd. Kanki Maintenance Co., Ltd. (Reason for exclusion from consolidation) The size of the non-consolidated subsidiaries is small and their net assets, sales and interim period profit or loss (amount corresponding to equity) and retained earnings (amount corresponding to) are small in size and do not have a material effect on the consolidated interim financial statements.	(1) Number of consolidated companies: 5 Consolidated company name: Assist Co., Ltd. SRG Kanamoto Co., Ltd. Kanatech Co., Ltd. Daiichi Kikai Co., Ltd. Kanki Corporation Kanki Corporation is included in the scope of consolidation beginning in the consolidated fiscal year under review following the acquisition of its stock by Kanamoto in September 2004. Only the company's balance sheet has been consolidated, however, because the acquisition was considered to occur at Kanamoto's consolidated fiscal year-end. (2) Main non-consolidated subsidiaries Non-consolidated subsidiary company name Comsupply Co., Ltd. Kanki Maintenance Co., Ltd. (Reason for exclusion from consolidation) The size of the non-consolidated subsidiaries is small and their net assets, sales and fiscal year profit or loss (amount corresponding to equity) and retained earnings (amount corresponding to equity) are small in size and do not have a material effect on the consolidated financial statements.

2. Matters pertaining to application of equity method accounting	Two unconsolidated subsidiaries (Polyshield Services Co., Ltd. and Com Supply Co., Ltd.) and two affiliated companies (Active Technology Corporation and Active Power Corporation) have been omitted from items to which equity method accounting is applied because their respective effect on interim consolidated net income or loss (amount corresponding to equity) and interim consolidated capital surplus (amount corresponding to equity) is immaterial and none of the companies is important to the company's overall operations.	Two unconsolidated subsidiaries (Comsupply Co., Ltd. and Kanki Maintenance Co., Ltd.) and two affiliated companies (Active Technology Corporation and Active Power Corporation) have been omitted from items to which equity method accounting is applied because their respective effect on interim consolidated net income or loss (amount corresponding to equity) and interim consolidated capital surplus (amount corresponding to equity) is immaterial and none of the companies is important to the company's overall operations.	Two unconsolidated subsidiaries (Comsupply Co., Ltd. and Kanki Maintenance Co., Ltd.) and two affiliated companies (Active Technology Corporation and Active Power Corporation) have been omitted from items to which equity method accounting is applied because their respective effect on consolidated net income or loss (Amount corresponding to minority interest) and consolidated capital surplus (Amount corresponding to minority interest) is immaterial and none of the companies is important to the company's overall operations.
3. Matters pertaining to the interim period-end (fiscal year-end) for consolidated subsidiaries	The interim period-end closing date for all of the consolidated subsidiaries is February 29. When preparing the interim consolidated financial statements, the Company uses the subsidiaries' financial statements as of February 29, and makes adjustments for significant transactions that occurred between March 1, 2004 and the interim consolidated accounting date on April 30, 2004 that were deemed to have a material effect on the interim consolidated financial results.	The interim period-end closing date for all of the consolidated subsidiaries except Kanki Corporation is February 28. When preparing the interim consolidated financial statements, the Company uses the subsidiaries' financial statements as of February 28, and makes adjustments for significant transactions that occurred between March 1, 2005 and the interim consolidated accounting date on April 30, 2005 that were deemed to have a material effect on the interim consolidated financial results.	The fiscal year closing date for all of the consolidated subsidiaries except Kanki Corporation is August 31. When preparing the consolidated financial statements the Company used the subsidiaries' financial statements as of August 31, adjusted for significant transactions that occurred between the subsidiaries' fiscal year-end and the consolidation date that have a material effect on the consolidated financial results.

4. Accounting principles and standards used for normal accounting treatment			
(1) Appraisal standards and appraisal methods for principal assets	a. Negotiable securities Other negotiable securities Securities with a market price The Company has adopted the market value method (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) based on the market price on the consolidated accounting fiscal year closing date or similar prices. Securities without market prices The Company has adopted the cost method, cost being determined by the moving average method	a. Negotiable securities Other negotiable securities Securities with a market price Same as at left Securities without market prices Same as at left	a. Negotiable securities Other negotiable securities Securities with a market price The Company has adopted the market value method (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) based on the market price on the consolidated accounting fiscal year closing date or similar prices Securities without market prices Same as at left
	b. 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	b. Construction equipment Same as at left	b. Construction equipment Same as at left
	c. Merchandise inventories and supplies (i) Merchandise inventories Lower of cost or market based on the Last-in, First-out method (ii) Supplies The Latest Purchase Cost method	c. Merchandise inventories and supplies (i) Merchandise inventories Same as at left (ii) Supplies Same as at left	c. Merchandise inventories and supplies (i) Merchandise inventories Same as at left (ii) Supplies Same as at left

(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 has adopted the straight-line method for buildings and structures acquired on or after April 1, 2000 but excluding fixtures and equipment. The depreciable lives mainly used by the Company are as follows. Rental assets 5-10 years Buildings 31-34 years	a. Tangible fixed assets Same as at left	a. Tangible fixed assets Same as at left
	b. Intangible fixed assets Software for use within the Company is depreciated using the straight-line method based on the assumed useful life for internal use (5 years)	b. Intangible fixed assets Same as at left	b. Intangible fixed assets Same as at left
(3) Accounting standards for principal allowances and reserves	a. Reserve for doubtful accounts To provide for losses on doubtful accounts such as accounts receivable, 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.	a. Reserve for doubtful accounts Same as at left	a. Reserve for doubtful accounts Same as at left
	b. Accrued bonuses to employees To fully provide for expenditures of bonuses the Company will pay to employees, an amount is appropriated to the reserve during the year based upon a salary estimate amount	b. Accrued bonuses to employees Same as at left	b. Accrued bonuses to employees Same as at left

	c. Accrued employees retirement benefit 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 difference based on an actuarial calculation is charged to income beginning in the consolidated accounting fiscal year following the year in which incurred, with the amounts allocated proportionately using the straight-line method, based on a specified number of years (10 years) that is less than the average remaining period of employment for employees at the time the difference arises.	c. Accrued employees retirement benefit Same as at left	c. Accrued employees retirement benefit 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 difference based on an actuarial calculation is charged to income beginning in the consolidated accounting fiscal year following the year in which incurred, with the amounts allocated proportionately using the straight-line method, based on a specified number of years (10 years) that is less than the average remaining period of employment for employees at the time the difference arises.

	(Supplemental information) On January 1, 2004 the Company received approval from the Minister of Health, Labour and Welfare for exemption from the obligation to make future payments for the entrusted portion of the Employee Welfare Pension Fund, accompanying enforcement of the Defined Benefit Corporate Pension Law. The Company has adopted the interim measures prescribed in Paragraph 47-2 of the Business Guidelines Concerning Retirement Benefit Accounting (Interim Report) concerning return of the entrusted portion of the corporate Employee Welfare Pension Fund (The Japanese Institute of Certified Public Accountants, Accounting System Committee Report No. 13), and on the day authorization was received the Company accounted for the retirement benefit liability related to the entrusted portion and the pension assets equivalent to the return amount as being extinguished. The Company accounted for the affects accompanying this treatment by booking extraordinary profits of ¥606,420,000 as of the end of the interim consolidated accounting period. The returned equivalent amount (minimum actuarial liability) measured as of the end of the interim consolidated accounting period under review was ¥1,316,579,000.	――――――	(Supplemental information) On January 1, 2004 the Company received approval from the Minister of Health, Labour and Welfare for exemption from the obligation to make future payments for the entrusted portion of the Employee Welfare Pension Fund, accompanying enforcement of the Defined Benefit Corporate Pension Law. The Company has adopted the interim measures prescribed in Paragraph 47-2 of the Business Guidelines Concerning Retirement Benefit Accounting (Interim Report) concerning return of the entrusted portion of the corporate Employee Welfare Pension Fund (The Japanese Institute of Certified Public Accountants, Accounting System Committee Report No. 13), and on the day authorization was received the Company accounted for the retirement benefit liability related to the entrusted portion and the pension assets equivalent to the return amount as being extinguished. The Company accounted for the affects accompanying this treatment by booking extraordinary profits of ¥606 million as of the end of the interim consolidated accounting period. The returned equivalent amount (minimum actuarial liability) measured as of the end of the consolidated accounting fiscal year under review was ¥1,296,434,000.

	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 at the end of the interim consolidated accounting period based upon length of service.	d. Retirement allowances to directors and auditors Same as at left	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 at the end of the consolidated fiscal year based upon length of service.
(4) 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.	Same as at left	Same as at left
(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.	a. Hedge transactions Same as at left	a. Hedge transactions Same as at left
	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.	b. Hedge methods and hedged transactions Same as at left	b. Hedge methods and hedged transactions Same as at left
	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.	c. Hedging policies Same as at left	c. Hedging policies Same as at left

	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.	d. Method for evaluating the effectiveness of hedges Same as at left	d. Method for evaluating the effectiveness of hedges Same as at left
(6) Other material matters pertaining to preparation of the interim consolidated financial statements (consolidated financial statements)	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.	Accounting treatment of consumption tax Same as at left	Accounting treatment of consumption tax Same as at left
5. Items included in cash and equivalents on the Interim Consolidated Statements of Cash Flows (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.	Same as at left	Funds included in cash (cash and equivalents) on the Consolidated Statement 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.

Change in Reporting Method

Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)
―――――	(Interim Consolidated Balance Sheet) Following promulgation of The Law to Revise Parts of the Securities and Exchange Law (Law No. 97 of 2004) on June 9, 2004 and its enforcement on December 1, 2004 and revision of the Practical Guidelines Concerning Accounting for Financial Instruments (The Japanese Institute of Certified Public Accountants, Accounting Committee Report No. 14) dated February 15, 2005, the Company changed its method for reporting limited partnerships for investment and investments in associations similar to such partnerships (instruments regarded as negotiable securities under the provisions of Article 2 paragraph 2 of the Securities and Exchange Law) to show them as “investment securities” beginning from the current consolidated fiscal year interim period. The amount of such investments included in “Investment securities” for the consolidated fiscal year interim accounting period under review is ¥108,218,000, and the amount of such investments included in “Other assets” in Investments and other assets in the prior consolidated fiscal year interim period is ¥88,290,000.

6. Notes to the Interim Financial Statements

(Notes to the Interim Consolidated Balance Sheets)

Category / Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Consolidated Fiscal Year (From November 1, 2003 to October 31, 2004)
*1. Total accumulated depreciation for tangible fixed assets	39,597,140,000	41,862,006,000	41,979,902,000
2. Guarantees Joint and several guarantees of employee bank loans	26,097,000	31,294,000	25,669,000
Guarantee of debt for long-term bank loan to affiliated company (Active Power Co., Ltd.)	269,500,000	—,000	269,500,000
3. Discount on notes receivable, trade	64,045,000	155,972,000	456,467,000
4. Balance of notes receivable-trade endorsed	—,000	93,700,000	45,618,000
5. Notes and bills maturing at the end of the (interim period) consolidated fiscal year	――――	Notes and bills maturing on the last day of the interim period are settled and processed on the note and bill clearing date. Because the last day of the Company's current consolidated fiscal year interim accounting period was a financial institution holiday, notes and bills maturing on the final day of the following consolidated interim period are included in the consolidated fiscal year interim accounting period balance. Notes receivable, trade 48,946,000 Notes payable, trade 1,515,268,000	Notes and bills maturing on the last day of the consolidated fiscal year are settled and processed on the note and bill clearing date. Because the last day of the Company's consolidated accounting fiscal year was a financial institution holiday, notes and bills maturing on the final day of the following consolidated accounting fiscal year are included in the consolidated accounting fiscal year-end balance. Notes receivable, trade 766,154,000 Notes payable, trade 1,059,945,000
6.Contingent liabilities	――――	The Company liquidates bill receivables based on notes receivables transfer program. Notes receivable, trade 8,324,410,000 The amount of notes receivable, trade with a right of recourse to the Company included in balance of notes receivable, trade is ¥1,337,614,000.	――――

(Notes to the Interim Consolidated Statements of Income)

<table>
<tr><th>Prior Consolidated Fiscal Year Interim Period
(From November 1, 2003
to April 30, 2004)</th><th>Current Consolidated Fiscal Year Interim Period
(From November 1, 2004
to April 30, 2005)</th><th>Prior Consolidated Fiscal Year
(From November 1, 2003
to October 31, 2004)</th></tr>
<tr><td>*1. Major expense categories and amounts included in selling, general and administrative expenses
Employee salaries and wages 2,374,471,000
Depreciation expense 404,853,000
Rents 699,432,000
Transfer to allowance for doubtful accounts 217,265,000
Transfer to accrued bonuses to employees 450,967,000</td><td>*1. Major expense categories and amounts included in selling, general and administrative expenses
Employee salaries and wages 2,615,448,000
Depreciation expense 422,427,000
Rents 769,684,000
Transfer to allowance for doubtful accounts 8,368,000
Transfer to accrued bonuses to employees 517,787,000</td><td>*1. Major expense categories and amounts included in selling, general and administrative expenses
Employee salaries and wages 4,703,521,000
Depreciation expense 888,113,000
Rents 1,453,865,000
Transfer to allowance for doubtful accounts 331,332,000
Transfer to accrued bonuses to employees 442,825,000
Employees retirement benefit expense 427,675,000
Transfer to retirement allowances to directors and auditors 10,396,000
Amortization of consolidation adjustment account —</td></tr>
<tr><td>*2. Gain on sale or retirement of fixed assets
Land 442,000</td><td>*2. Gain on sale or retirement of fixed assets
Land 4,248,000
Machinery, equipment and delivery equipment 487,000
Other 6,000
Total 4,742,000</td><td>*2. Gain on sale or retirement of fixed assets
Land 8,310,000
Building 24,000
Total 8,334,000</td></tr>
<tr><td>*3. Loss on sale or retirement of fixed assets.
(Loss on retirement of fixed assets)
Rental equipment 14,250,000
Buildings and structures 55,024,000
Machinery, equipment and delivery equipment 3,489,000
Other 735,000
Total 73,499,000</td><td>*3. Loss on sale or retirement of fixed assets.
(Loss on sale of fixed assets)
Buildings and structures 6,906,000
Machinery, equipment and delivery equipment 605,000
Land 1,915,000
Other 53,000
(Loss on retirement of fixed assets)
Rental equipment 16,840,000
Buildings and structures 4,250,000
Machinery, equipment and delivery equipment 7,599,000
Other 2,010,000
Total 40,181,000</td><td>*3. Loss on sale or retirement of fixed assets.
(Loss on sale of fixed assets)
Machinery, equipment and delivery equipment 83,000
Land 309,000
(Loss on retirement of fixed assets)
Rental equipment 20,915,000
Buildings and structures 69,482,000
Machinery, equipment and delivery equipment 5,895,000
Other 1,138,000
Total 97,824,000</td></tr>
</table>

(Notes to the Interim Consolidated Statements of Cash Flows)

Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Consolidated Fiscal Year (From November 1, 2003 to October 31, 2004)
Relationships between interim period ending balance for cash and equivalents and amounts for items shown on the interim consolidated balance sheet (As of April 30, 2004) Cash and equivalents 15,149,601,000 Term deposits with a maturity longer than 3 months -8,017,000 Items considered to be cash and equivalents 15,141,584,000	Relationships between interim period ending balance for cash and equivalents and amounts for items shown on the interim consolidated balance sheet (As of April 30, 2005) Cash and equivalents 18,839,080,000 Term deposits with a maturity longer than 3 months -8,019,000 Items considered to be cash and equivalents 18,831,061,000	1.Relationships between fiscal year ending balance for cash and equivalents and amounts for items shown on the fiscal year consolidated balance sheet (As of October 31, 2004) Cash and equivalents 11,742,173,000 Term deposits with a maturity longer than 3 months -8,019,000 Items considered to be cash and equivalents 11,734,154,000
		2. Assets and liabilities of companies that became newly consolidated companies as the result of purchases of their stock. The details of assets and liabilities and their relationship to the stock purchase amount and expenditures (net amount) for stock purchases at the start of consolidation for newly consolidated companies as the result of purchase of stock are as follows. Kanki Corporation Current assets 1,591,473,000 Fixed assets 760,065,000 Current liabilities −1,602,439,000 Long-term liabilities −1,232,023,000 Consolidation adjustment 570,824,000 Kanki Corporation purchase price 87,900,000 Kanki Corporation cash and cash equivalents −407,206,000 Net: Amount expended to acquire Kanki Corporation −319,306,000

V Business Segment Information

(Segment Information by Type of Business)

Prior interim consolidated accounting period (From November 1, 2002 to April 30, 2003)

(Unit: Yen thousand)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues						
(1) Sales to outside customers	28,265,167	2,449,561	241,056	30,955,785	–	30,955,785
(2) Sales or transfers between related segments	–	–	–	–	–	–
Total	28,265,167	2,449,561	241,056	30,955,785	–	30,955,785
Operating expenses	26,754,031	2,450,027	249,939	29,453,998	-76,796	29,377,202
Operating income	1,511,135	-465	-8,883	1,501,786	76,796	1,578,582

(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
Information products and other businesses	Computers and peripheral devices, telecommunications-related equipment, microturbine generators

Interim consolidated accounting period under review (From November 1, 2004 to April 30, 2005)

(Unit: Yen thousand)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues						
(1) Sales to outside customers	29,849,040	3,062,334	215,408	33,126,783	–	33,126,783
(2) Sales or transfers between related segments	–	–	–	–	–	–
Total	29,849,040	3,062,334	215,408	33,126,783	–	33,126,783
Operating expenses	28,671,849	3,038,434	204,459	31,914,743	-79,242	31,835,501
Operating income	1,177,190	23,900	10,948	1,212,039	79,242	1,291,282

(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
Information products and other businesses	Computers and peripheral devices, telecommunications-related equipment, microturbine generators

Prior consolidated fiscal year (From November 1, 2002 to October 31, 2003)

(Unit: Yen thousand)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues						
(1) Sales to outside customers	54,823,199	6,058,708	454,349	61,336,258	—	61,336,258
(2) Sales or transfers between related segments	—	—	—	—	—	—
Total	54,823,199	6,058,708	454,349	61,336,258	—	61,336,258
Operating expenses	53,142,297	6,013,546	454,178	59,610,022	-152,432	59,457,590
Operating income	1,680,902	45,161	171	1,726,235	152,432	1,878,668

(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
Information products and other businesses	Computers and peripheral devices, telecommunications-related equipment, microturbine generators

(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 prior interim consolidated accounting period, the interim consolidated accounting period under review and the prior consolidated fiscal year.

(Foreign sales)

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

VI Notes for leasing transactions

<table>
<tr><th>Prior Consolidated Fiscal Year Interim Period
(From November 1, 2003
to April 30, 2004)</th><th>Current Consolidated Fiscal Year Interim Period
(From November 1, 2004
to April 30, 2005)</th><th>Prior Consolidated Fiscal Year
(From November 1, 2003
to October 31, 2004)</th></tr>
<tr>
<td>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 balance at the end of the interim period

Please refer to Annex A

(2) Outstanding balance of future lease payments at the end of the interim period
Within one year 5,850,363,000
After one year 17,100,732,000
Total 22,951,096,000

(3) Amount of lease payments, depreciation expense and interest expense
Lease payments 3,037,511,000
Depreciation expense 2,881,672,000
Interest expense 435,287,000

(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 to each year.

2. Operating leases
Future lease payments
Within one year 1,614,250,000
After one year 2,266,430,000
Total 3,880,680,000</td>
<td>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 balance at the end of the interim period

Please refer to Annex B

(2) Outstanding balance of future lease payments at the end of the interim period
Within one year 5,839,307,000
After one year 17,883,217,000
Total 23,722,525,000

(3) Amount of lease payments, depreciation expense and interest expense
Lease payments 3,452,747,000
Depreciation expense 3,152,562,000
Interest expense 423,232,000

(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 1,793,354,000
After one year 4,063,870,000
Total 5,857,224,000</td>
<td>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 balance at the end of the fiscal year accounting period

Please refer to Annex C

(2) Outstanding balance of future lease payments at the end of the interim period
Within one year 5,450,340,000
After one year 15,748,713,000
Total 21,199,054,000

(3) Amount of lease payments, depreciation expense and interest expense
Lease payments 6,015,002,000
Depreciation expense 5,633,557,000
Interest expense 777,925,000

(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 1,869,826,000
After one year 3,603,704,000
Total 5,473,531,000</td>
</tr>
</table>

Annex　A

	Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance (¥'000)
Rental assets	32,550,957	9,080,934	23,470,022
Other assets	419,727	184,038	235,688
Total	32,970,684	9,264,973	23,705,711

Annex　B

	Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance (¥'000)
Rental assets	36,156,017	12,377,018	23,778,999
Other assets	457,485	241,637	215,848
Total	36,613,503	12,618,656	23,994,847

Annex　C

	Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance (¥'000)
Rental assets	32,088,419	10,492,130	21,596,289
Other assets	435,397	228,409	206,988
Total	32,523,817	10,720,539	21,803,278

VII Notes related to negotiable securities)

Prior interim consolidated accounting period (As of April 30, 2004)

Negotiable securities

1. Other negotiable securities with market prices

(Unit: Yen thousand)

	Prior interim consolidated accounting period (As of April 30, 2004)		
	Acquisition price (¥'000)	Acquisition price (¥'000)	Acquisition price (¥'000)
(1) Stock	1,254,727	2,401,043	1,146,315
(2) Bonds			
a. Government bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
(3) Other negotiable securities	1,075,448	1,009,505	-65,943
Subtotal	2,330,175	3,410,548	1,080,372

2. Details of other negotiable securities that do not have a market value

(Unit: Yen thousand)

	Prior interim consolidated accounting period (As of April 30, 2004)
	Amount shown on the interim consolidated balance sheet
Other negotiable securities	
Unlisted stocks (excluding over-the-counter stocks)	369,500

Interim consolidated accounting period under review (As of April 30, 2005)

Negotiable securities

1. Other negotiable securities with market prices

(Unit: Yen thousand)

	Interim consolidated accounting period under review (As of April 30, 2005)		
	Acquisition price (¥'000)	Acquisition price (¥'000)	Acquisition price (¥'000)
(1) Stock	1,271,273	2,785,762	1,514,489
(2) Bonds			
a. Government bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
(3) Other negotiable securities	1,012,213	987,534	-24,679
Subtotal	2,283,486	3,773,296	1,489,810

2. Details of other negotiable securities that do not have a market value (Unit: Yen thousand)

	Interim consolidated accounting period under review (As of April 30, 2005)
	Amount shown on the interim consolidated balance sheet
Other negotiable securities	
Unlisted stocks (excluding over-the-counter stocks)	377,139
Other	108,218

Prior consolidated accounting fiscal year (As of October 31, 2003)

Negotiable securities

1. Other negotiable securities with market prices (Unit: Yen thousand)

	Prior consolidated accounting fiscal year (As of October 31, 2004)		
	Acquisition price (¥'000)	Amount reported on the consolidated balance sheet (¥'000)	Valuation profit or loss (¥'000)
(1) Stock	1,304,905	2,508,055	1,203,149
(2) Bonds			
a. Government bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
(3) Other negotiable securities	998,248	968,363	-29,885
Subtotal	2,303,153	3,476,418	1,173,264

2. Details of other negotiable securities that do not have a market value

(Unit: Yen thousand)

	Prior consolidated accounting fiscal year (As of October 31, 2004)
	Amount shown on the consolidated balance sheet
Other negotiable securities Unlisted stocks (excluding over-the-counter stocks)	401,743

VIII Notes related to Derivative Transactions

Prior consolidated fiscal year interim period (As of April 30, 2004)

Because it applies hedge accounting, the Company had no material items to report.

Consolidated fiscal year interim period under review (As of April 30, 2005)

Because it applies hedge accounting, the Company had no material items to report.

Prior consolidated fiscal year (As of October 31, 2004)

Because it applies hedge accounting, the Company had no material items to report.

(Per Share Information)

Category \ Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Consolidated Fiscal Year (From November 1, 2003 to October 31, 2004)
Net assets per share	¥1,103.77	¥1,108.32	¥1,096.42
Interim period (fiscal year) net income per share	¥36.75	¥15.53	¥36.50
Net income per share of common stock after adjustment for potential ordinary shares	-	-	-
		The Company has not reported net income per share of common stock after adjustment for potential ordinary shares because it does not have any potential shares that would have a dilution effect.	The Company has not reported net income per share of common stock after adjustment for potential ordinary shares because it does not have any potential shares that would have a dilution effect.

(Note) The basis for calculating interim period (fiscal year) earnings per share is as follows.

Category \ Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2003 to April 30, 2004)	Current Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Prior Consolidated Fiscal Year (From November 1, 2003 to October 31, 2004)
Interim period (fiscal year) net income (¥ '000)	1,097,547	463,684	1,097,439
Amount not attributed to common stock shareholders (¥ '000)	-	-	7,300
Interim period (fiscal year) net income related to common stock (¥ '000)	1,097,547	463,684	1,090,139
Average number of outstanding shares during the period	29,868,128	29,857,851	29,865,301
Summary of latent stock not included in the calculation of interim period (fiscal year) earnings per share on a fully diluted basis because it does not have a dilution effect	New stock warrants (stock options) based on the provisions of Article 280-19 of the old Commercial Code	-------	New stock warrants (stock options) based on the provisions of Article 280-19 of the old Commercial Code