



Fiscal Year ending October 31, 2005

Summary of Third Quarter Operating Results (Consolidated)

September 2, 2005

Listed Company Name **Kanamoto Company, Ltd.**
 Company Code Number **9678**
 Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**
 (URL <http://www.kanamoto.co.jp>)
 Representative **Kanchu Kanamoto** President
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1. Matters Related to Preparation of the Summary of Third Quarter Operating Results

Has the Company adopted simplified methods for accounting treatment? Yes
 The Company uses book value for inventory.
 The Company charges an amount to its allowance for doubtful accounts based on actual loss experience in the prior consolidated accounting fiscal year for normal accounts.

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 Third Quarter of the Fiscal Year Ending October 31, 2005 (November 1, 2004 - July 31, 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	%	Millions of yen	%
Fiscal Year Ending October 31, 2005: Third Quarter	46,374	(4.3)	170	(- 74.4)	14	(- 97.5)
Fiscal Year Ended October 31, 2004: Third Quarter	44,478	(-)	666	(-)	574	(-)
(Reference) 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
Fiscal Year Ending October 31, 2005: Third Quarter	- 349	(-)	- 11.71	-
Fiscal Year Ended October 31, 2004: Third Quarter	549	(-)	18.40	-
(Reference) Fiscal Year Ended October 31, 2004	1,097		36.50	-

(Note) 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.

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Summary of Third Quarter Operating Results (Consolidated),
 Fiscal Year Ending October 31, 2005

(Qualitative information concerning consolidated operating results)

< Management Environment > (From November 1, 2004 to July 31, 2005)

During the third quarter, Japan's economy showed signs of throwing off the weakness that has hampered corporate operating results. In addition to improved corporate earnings, particularly in large-scale key industries such as electric machinery and automobiles, personal consumption also recovered. Nevertheless, prices for raw materials such as iron and steel and crude oil also surged, and overall business conditions remained fundamentally unchanged. In the construction industry, which is the main customer of the Kanamoto Group, business conditions continued to recover in the Tokyo metropolitan area and in the Tokai Region, where private demand is vigorous. A negative outlook remained strong in other regions, however, where increased private demand cannot be anticipated and public works spending is being curtailed, and in general the challenging business environment continued.

< Operating Results Through the Third Quarter >

In the construction equipment rental business, which is the main business of the Kanamoto Group, the third quarter in a typical year is the off-season when construction equipment rental demand declines. This year, the environment overall was even more difficult, because of factors such as the marked drop in demand in regional areas. Despite regions such as Hokkaido and Kyushu where competition is extremely fierce, however, construction equipment rental net revenues rose as the Company achieved stronger results compared to the same period of the previous consolidated fiscal year.

On the other hand, the Construction Equipment Rental Division's revenues from sales were lower than in the same period of the previous consolidated fiscal year because the Company limited sales of rental assets (used construction equipment) in accordance with its initial plan.

In addition, from an earnings standpoint operating results were weak, reflecting a larger decline in earnings at certain consolidated companies than the Company projected in its initial plan and measures taken by the Company from a conservative accounting standpoint, such as bolstering reserves equivalent to valuation losses on loans to subsidiaries and affiliated companies and stock investments.

As a result, consolidated revenues for the third quarter of the consolidated fiscal year ending October 2005 were ¥46,374 million, while consolidated operating income was ¥170 million, consolidated ordinary income was ¥14 million and the consolidated net loss was ¥349 million. A summary of operating results for each of the Company's main businesses, as well as business development issues deserving special mention, is provided below.

< Summary of operating results by business >

[Business related to the Construction Equipment Rental Division]

Construction equipment rentals grew steadily in the Tohoku, Kanto-Shinetsu, and Kinki-Chubu territories. By territory, revenues in the Tohoku territory increased 4.8% year-on-year in the third quarter, boosted by opportunities in specialized sectors such as ground improvement machines. In addition, both the Kanto-Shinetsu territory and the Kinki-Chubu territory, which include the Tokyo, Nagoya and Osaka metropolitan areas, increased revenues at a steady pace, achieving double-digit growth of 10.8% and 10.2%, respectively.

Nevertheless, in regions other than those described above, the economic environment still has not begun to improve. In Hokkaido and Kyushu in particular, where public works and large-scale private construction projects are limited, business conditions were weaker than in the same period of the previous consolidated fiscal year. Revenues from net sales also declined year-on-year for the reason mentioned above.

In addition, although the affect on consolidated operating results is not material, rentals of temporary scaffolding and the rental of items such as safety products, which the Company is pursuing in Hokkaido, were affected by the drop in construction volume in Hokkaido, and revenues from rental of these products declined as a result.

Earnings from the manufacture and sale of temporary housing units, which frequently are a special order product, declined substantially because of the lack of growth in sales of manufactured buildings and the affects from consolidation of manufacturing facilities.

[Business related to the Steel Sales Division]

Sales grew 8.3% compared to the same period of the prior consolidated fiscal year as the result of strong prices, which remained high despite steel materials inventory released to the market, plus contributions from the sale of new commercial materials (KT roof system of highly durable insulation and waterproof roofing materials).

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

Demand for personal computers was higher as a result of the economic recovery in the Tokyo metropolitan area, and rental net revenues rose 8.6% compared with the same period of the prior consolidated fiscal year. Product sales fell sharply, however, because of a lack of key products. As a result, net revenues for the entire division declined 7.1% year-on-year.

< Business development issues deserving special mention and status of branch office changes >

During the third quarter under review, the Company newly established a Yubari Branch (Yubari, Hokkaido) and Ojiya Branch (Ojiya, Niigata Prefecture). The Company did not close any existing branches. The new Yubari Branch was established to support construction of the Shuparo Dam, which will have the fourth largest water storage capacity in Japan once completed, while the Ojiya Branch was set up in response to restoration efforts following the Niigata Prefecture Chuetsu Earthquake that occurred last year. In new public works, construction for the Hokkaido Shinkansen has been budgeted and construction started on the route as far as the New Hakodate Station, and Kanamoto is concentrating keenly on supporting related construction demand.

(2) Change in Consolidated Financial Position

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

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year Ending October 31, 2005: Third Quarter	86,152	32,319	37.5	1,082.53
Fiscal Year Ended October 31, 2004: Third Quarter	88,489	32,175	36.4	1,077.38
(Reference) Fiscal Year Ended October 31, 2004	89,323	32,745	36.7	1,096.42

[Consolidated Cash Flows]

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

	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
Fiscal Year Ending October 31, 2005: Third Quarter	11,609	- 440	-2,745	20,158
Fiscal Year Ended October 31, 2004: Third Quarter	5,078	- 230	- 269	16,541
(Reference) Fiscal Year Ended October 31, 2004	6,230	-1,535	-4,923	11,734

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2005

(Qualitative information concerning change in consolidated financial position)

Compared with the end of the prior consolidated accounting fiscal year, total assets at the end of the third quarter under review had decreased ¥3,171 million to ¥86,152 million. This mainly reflected a decrease in accounts receivable, trade accompanying the liquidation of bill receivables, and a reduction interest-bearing debt including long-term bank loans.

Shareholders' equity decreased ¥426 million compared with the end of the prior consolidated accounting fiscal year to ¥32,319 million. The shareholders' equity ratio was 37.9%.

(Cash flow from operating activities)

Cash flow from operating activities was ¥11,609 million yen, an increase of ¥6,530 million from the same period of the prior consolidated accounting fiscal year. This change was mainly from the increase in cash provided by the reduction in accounts receivable, trade because of the liquidation of bill receivables.

(Cash flow from investing activities)

Cash flow used in investing activities rose ¥209 million from the same period of the prior consolidated fiscal accounting year to ¥440 million. This mainly reflected a decrease in cash provided from the sale of investment securities and an increase in funds used for the purchase of tangible fixed assets.

(Cash flow from financing activities)

Cash flow used in financing activities was ¥2,745 million, an increase of ¥2,475 million from the same period of the prior consolidated accounting fiscal year. This mainly reflected a decrease in funds provided by long-term bank loans.

As a result of the above, the balance of cash and cash equivalents at the end of the third quarter under review increased ¥8,424 million from the end of the prior consolidated fiscal accounting year to ¥20,158 million.

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 2005

(November 1, 2004 - October 31, 2005)

	Projected Revenues	Projected Operating Income	Projected Ordinary Income	Projected 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 (full-year) ¥ 9.38

(Qualitative information concerning projected operating results)

Projected fiscal year operating results

Though operating results for the third quarter under review fell below the initial plan level, the Company believes full-year operating results generally will be in line with the revised projected operating results issued at the time of the Company released its Interim Financial Statements Bulletin because revenues increased year-on-year in the third quarter, which is typically the slow season in the Company's main business in the construction equipment rental industry, and because in normal years the volume of construction work increases briefly from the middle of the fourth quarter.

Therefore the projected operating results indicated above are the revised projected consolidated operating results for the full year described in the Interim Financial Statements Bulletin (Consolidated) for the fiscal year ending October 31, 2005 released in June of this year.

Qualitative information

These projected consolidated operating results were prepared using projections based on information available to the Company as of the date this material was released and forecasts of the future economic environment, and include various risks and uncertainty factors.

Accordingly, there is a possibility the Company's actual consolidated operating results will differ from the projected amounts shown above as a result of various future factors, including but not limited to economic conditions surrounding the Company, market trends, and competitive conditions.

1. (Summary) Third Quarter Consolidated Balance Sheets

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2004)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2004
		Amount	Amount	Amount	Percent	Amount
(Assets)						
I Current Assets						
1 . Cash and deposits		20,166,799	16,549,679	3,617,120	21.9	11,742,173
2 . Notes and accounts receivable, trade		11,331,353	19,140,415	-7,809,061	-40.8	23,480,548
3 . Negotiable securities		-	18,978	-18,978	-100.0	-
4 . Inventory		781,963	1,027,582	-245,618	-23.9	703,059
5 . Construction equipment		1,587,776	2,002,688	-414,912	-20.7	1,905,762
6 . Deferred tax assets		222,939	225,155	-2,216	-1.0	252,069
7 . Other		1,074,291	942,289	132,001	14.0	429,435
Allowance for doubtful accounts		-650,006	-515,489	-134,516	-26.1	-730,669
Total Current Assets		34,515,117	39,391,300	-4,876,182	-12.4	37,782,380
II Fixed Assets						
1. Tangible Fixed Assets						
(1) Rental equipment		10,247,862	10,363,067	-115,205	-1.1	10,309,578
(2) Buildings and structures		6,605,139	6,750,136	-144,996	-2.1	7,011,800
(3) Land		26,205,408	24,651,537	1,553,871	6.3	26,112,181
(4) Other		1,451,143	1,355,979	95,163	7.0	1,271,445
Total Tangible Fixed Assets		44,509,554	43,120,721	1,388,832	3.2	44,705,006
2. Intangible Fixed Assets						
(1) Consolidation adjustment		461,806	-	461,806	-	559,067
(2) Other		262,825	245,291	17,534	7.1	262,569
Total Intangible Fixed Assets		724,632	245,291	479,341	195.4	821,637
3. Investments and Other Assets						
(1) Investment securities		4,941,219	4,000,629	940,589	23.5	3,938,162
(2) Deferred tax assets		506,587	733,594	-227,006	-30.9	911,019
(3) Other		2,178,856	1,666,986	511,870	30.7	2,826,514
Allowance for doubtful accounts		-1,223,694	-668,589	-555,105	-83.0	-1,660,994
Total Investments and Other Assets		6,402,968	5,732,620	670,347	11.7	6,014,701
Total Fixed Assets		51,637,154	49,098,632	2,538,521	5.2	51,541,344
Total Assets		86,152,272	88,489,932	-2,337,660	-2.6	89,323,725

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2004)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2004
		Amount	Amount	Amount	Percent	Amount
(Liabilities)						
I	Current Liabilities					
1	Notes and accounts payable, trade	11,779,663	10,345,706	1,433,957	13.9	13,405,603
2	Short-term bank loans	3,558,376	3,638,992	-80,615	-2.2	676,639
3	Long-term bank loans due within one year	10,818,496	10,793,496	25,000	0.2	10,935,496
4	Corporate taxes payable	142,574	72,818	69,755	95.8	368,813
5	Accrued bonuses to employees	201,137	424,640	-223,503	-52.6	480,597
6	Accounts payable, other	3,142,784	4,698,923	-1,556,139	-33.1	4,129,127
7	Other	641,505	703,857	-62,352	-8.9	623,001
	Total Current Liabilities	30,284,537	30,678,435	-393,897	-1.3	30,619,278
II	Long-term Liabilities					
1	Long-term bank loans	19,904,981	21,347,477	-1,442,496	-6.8	21,952,103
2	Accrued employees retirement benefits	1,425,908	1,208,014	217,893	18.0	1,228,829
3	Retirement allowances to directors and auditors	125,254	95,666	29,588	30.9	96,281
4	Long-term accrued expenses	1,964,226	2,878,810	-914,584	-31.8	2,496,910
5	Consolidation adjustment account	-	13,218	-13,218	-100.0	-
6	Other	62,190	37,146	25,044	67.4	125,226
	Total Long-term Liabilities	23,482,560	25,580,333	-2,097,772	-8.2	25,899,351
	Total Liabilities	53,767,098	56,258,768	-2,491,669	-4.4	56,518,630
(Minority Interests)						
	Minority Interests	65,732	55,398	10,334	18.7	59,245
(Shareholders' Equity)						
I	Common stock	8,596,737	8,596,737	-	-	8,596,737
II	Additional paid-in capital	9,720,343	9,720,343	-	-	9,720,343
III	Consolidated retained earnings	12,989,248	13,365,814	-376,566	-2.8	13,913,568
IV	Valuation difference on other investment securities	1,198,040	672,308	525,732	78.2	697,675
V	Treasury stock	-184,927	-179,437	-5,490	3.1	-182,475
	Total Shareholders' Equity	32,319,441	32,175,766	143,675	0.4	32,745,849
	Total Liabilities, Minority Interests and Shareholders' Equity	86,152,272	88,489,932	-2,337,660	-2.6	89,323,725

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2005

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2. (Summary) Third Quarter Consolidated Statements of Income

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2004)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2004
		Amount	Amount	Amount	Percent	Amount
I	Revenues	46,374,018	44,478,850	1,895,167	4.3	61,336,258
II	Cost of revenues from operations	36,019,255	34,278,907	1,740,348	5.1	47,017,429
	Gross profit	10,354,762	10,199,943	154,819	1.5	14,318,828
III	Selling, general and administrative expenses	10,184,534	9,533,773	650,761	6.8	12,440,160
	Operating income	170,227	666,170	-495,942	-74.4	1,878,668
IV	Non-operating revenues					
	1 . Interest revenue	3,472	738	2,734	370.0	2,781
	2 . Dividend income	47,026	47,659	-633	-1.3	68,308
	3 . Gain on sale of investment securities	28,044	46,427	-18,382	-39.6	47,261
	4 . Rents received	68,194	67,192	1,001	1.5	113,474
	5 . Other	144,263	160,186	-15,923	-9.9	206,612
	Total non-operating revenues	291,001	322,204	-31,203	-9.7	438,438
V	Non-operating expenses					
	1 . Interest expense	268,393	259,167	9,226	3.6	347,660
	2 . Others	178,304	154,458	23,845	15.4	219,738
	Total non-operating expenses	446,697	413,625	33,071	8.0	567,399
	Ordinary income	14,532	574,749	-560,217	-97.5	1,749,707
VI	Extraordinary profits					
	1 . Gain on sale or retirement of fixed assets	5,238	466	4,772	-	8,334
	2 . Gain on return of entrusted portion of corporate Employee Welfare Pension Fund	-	606,420	-606,420	-100.0	606,420
	3 . Gain on reversal of allowance for doubtful accounts	90,422	-	90,422	-	-
	4 . Other	12,181	5,484	6,697	122.1	5,472
	Total extraordinary profits	107,843	612,370	-504,527	-82.4	620,226
VII	Extraordinary losses					
	1 . Loss on sale or retirement of fixed assets	53,957	76,739	-22,782	-29.7	97,824
	2 . Transfer to allowance for doubtful accounts at affiliates	192,465	-	192,465	-	-
	3 . Other	41,397	24,803	16,594	66.9	59,960
	Total extraordinary losses	287,820	101,542	186,277	183.4	157,785

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Current quarter (fiscal year) income (loss) before taxes and adjustments	-165,444	1,085,577	-1,251,022	-	2,212,149
Corporate, local and business taxes	83,384	39,026	44,357	113.7	839,083
Adjustment for corporate and other taxes	94,398	481,774	-387,375	-80.4	256,687
Minority interest in income or loss	6,486	15,091	-8,604	-57.0	18,939
Current quarter (fiscal year) net income (loss)	-349,714	549,685	-899,399	-	1,097,439

3. (Summary) Third Quarter Consolidated Statements of Cash Flows

(Unit: Thousands of yen)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2004)	Change from prior year
		Amount	Amount	Amount
I Cash flow from operating activities				
Current quarter (fiscal year) income (loss) before taxes and adjustments		-165,444	1,085,577	2,212,149
Depreciation and amortization expense		3,808,178	3,794,615	5,294,745
Amortization of consolidation adjustment account		78,760	-4,383	-5,845
Gain on sale or retirement of fixed assets		-5,238	-466	-8,334
Loss on sale or retirement of fixed assets		53,957	76,739	97,824
Installment purchases of assets for small-value rentals		50,127	8,663	12,475
Reclassification of cost of sales associated with disposal of construction equipment		6,110	17,097	22,224
Reclassification of cost of sales associated with disposal of rental assets		775,411	1,318,614	1,482,068
Expenditures for acquisition of rental assets		-2,177,107	-766,053	-1,278,248
Valuation loss on investment securities		372	10,000	42,544
Gain on sale of investment securities		-28,044	-46,427	-47,261
Increase (decrease) in allowance for doubtful accounts		-517,963	126,386	152,945
Increase (decrease) in accrued bonuses to employees		-279,459	-18,227	6,692
Increase (decrease) in accrued employees retirement benefits		197,078	-569,300	-548,485
Increase (decrease) in retirement allowances to directors and auditors		28,972	-101,427	-101,749
Interest revenue and dividend income		-50,499	-48,398	-71,090
Interest expense on installment purchases of rental assets		52,223	90,616	111,954
Interest expense		268,393	259,167	347,660
(Increase) decrease in accounts receivable, trade		12,149,195	2,326,400	-944,131
(Increase) decrease in inventory assets		-78,903	-172,736	204,823
Increase (decrease) in accounts payable, trade		-1,625,939	-720,466	1,071,687
Increase (decrease) in accounts payable, other		144,253	269,061	239,627
Directors and auditors' bonuses paid		-7,300	-14,100	-14,100
Other		-489,937	-922,327	-538,148
Subtotal		12,187,197	5,998,625	7,742,029
Interest and dividends received		50,499	48,398	71,090
Interest expense		-318,283	-353,591	-463,881
Payment of corporate and other taxes		-309,624	-614,627	-1,119,008
Cash flow from operating activities		11,609,789	5,078,804	6,230,229

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(Unit: Thousands of yen)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2004)	Change from prior year
		Amount	Amount	Amount
II	Cash flow from investing activities			
	Funds used for investments in term deposits	-	-	-1
	Funds used for the purchase of tangible fixed assets	-534,146	-167,326	-1,899,402
	Funds provided from the sale of tangible fixed assets	132,867	4,065	15,555
	Funds used for the purchase of intangible fixed assets	-44,770	-182,209	-182,859
	Funds used for the purchase of investment securities	-670,709	-1,012,816	-1,044,472
	Funds provided from sale of investment securities	672,827	1,204,422	1,332,729
	Funds used for purchase of investments	-	-10	-10
	Funds used for purchase of subsidiary company stock	-	-27,875	-27,875
	Funds provided from the sale of subsidiary company stock	2,902	-	-
	Funds provided from purchase of subsidiary company stock following change in scope of consolidation	-	-	319,306
	Other	888	-48,581	-48,581
	Cash flow from investing activities	-440,140	-230,331	-1,535,610
III	Cash flow from financing activities			
	Increase (decrease) in short-term bank loans	2,881,736	2,925,633	-36,718
	Funds provided by long-term bank loans	6,400,000	9,630,000	11,930,000
	Funds used to repay long-term bank loans	-8,564,122	-7,896,142	-10,709,516
	Funds used for repayment of installment obligations	-2,893,020	-4,389,173	-5,564,061
	Funds used for the purchase of treasury stock	-2,312	-2,118	-5,157
	Payment of dividends to parent company	-567,305	-537,604	-537,604
	Other	-	-150	-150
	Cash flow from financing activities	-2,745,023	-269,555	-4,923,208
I V	Increase (decrease) in cash and equivalents	8,424,626	4,578,917	-228,589
V	Balance of cash and equivalents at beginning of period	11,734,154	11,920,620	11,920,620
V I	Increase in cash and equivalents accompanying merger with non-consolidated subsidiary	-	42,124	42,124
VII	Balance of cash and equivalents at end of the period	20,158,780	16,541,662	11,734,154

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4. Business Segment Information

[Segment information by type of business]

Third quarter (From November 1, 2004 to July 31, 2005)

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues	41,706,993	4,345,045	321,978	46,374,018	-	46,374,018
Operating expenses	41,692,551	4,325,462	305,937	46,323,951	-120,160	46,203,790
Operating income	14,442	19,583	16,041	50,067	120,160	170,227

Third quarter of the prior consolidated accounting fiscal year

(From November 1, 2003 to July 31, 2004)

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues	40,120,324	4,011,768	346,757	44,478,850	-	44,478,850
Operating expenses	39,572,378	4,006,268	349,728	43,928,374	-115,694	43,812,680
Operating income	547,946	5,500	-2,970	550,475	115,694	666,170

[Segment information by location]

Third quarter and third quarter of the prior consolidated accounting fiscal year

The Company does not report segment information by location because the Company does not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan.

5. (Summary) Third Quarter Company Balance Sheets

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Fiscal Year Ended October 31, 2004)	Change from prior year		(Reference) Fiscal Year Ended October 31, 2004
		Amount	Amount	Amount	Percent	Amount
(Assets)						
I Current Assets						
1 . Cash and deposits		18,959,754	16,118,049	2,841,705	17.6	10,911,377
2 . Notes receivable, trade		1,975,570	9,418,599	-7,443,028	-79.0	10,889,913
3 . Accounts receivable, trade		8,202,178	9,220,582	-1,018,404	-11.0	11,067,221
4 . Negotiable securities		-	18,978	-18,978	-100.0	-
5 . Inventory		539,782	544,609	-4,826	-0.9	344,870
6 . Construction equipment		1,301,876	1,652,489	-350,613	-21.2	1,556,528
7 . Deferred tax assets		197,621	188,653	8,967	4.8	229,340
8. Other		1,463,223	1,381,295	81,927	5.9	800,216
Allowance for doubtful accounts		-549,346	-522,831	-26,515	-5.1	-629,663
Total Current Assets		32,090,660	38,020,426	-5,929,766	-15.6	35,169,805
II Fixed Assets						
1. Tangible Fixed Assets						
(1) Rental equipment		9,844,436	10,111,740	-267,303	-2.6	9,719,372
(2) Building		5,440,032	5,555,228	-115,195	-2.1	5,731,090
(3) Structures		903,681	1,042,767	-139,086	-13.3	1,000,057
(4) Land		25,933,514	24,381,774	1,551,740	6.4	25,838,381
(5) Other		1,412,296	1,326,125	86,171	6.5	1,235,587
Total Tangible Fixed Assets		43,533,961	42,417,636	1,116,325	2.6	43,524,490
2. Intangible Fixed Assets						
Total Intangible Fixed Assets		195,097	240,040	-44,942	-18.7	226,860
3. Investments and Other Assets						
(1) Investment securities		4,818,752	3,922,283	896,468	22.9	3,800,470
(2) Stock of affiliated companies		1,034,307	949,957	84,350	8.9	1,037,210
(3) Deferred tax assets		600,860	803,276	-202,415	-25.2	1,004,962
(4) Other		1,517,556	1,626,123	-108,567	-6.7	1,549,381
Allowance for doubtful accounts		-638,224	-646,658	8,433	1.3	-564,006
Reserve for investment losses		-280,000	-229,402	-50,597	-22.1	-280,000
Total investments and other assets		7,053,252	6,425,579	627,672	9.8	6,548,018
Total Fixed Assets		50,782,311	49,083,255	1,699,055	3.5	50,299,369
Total Assets		82,872,971	87,103,682	-4,230,710	-4.9	85,469,174

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2005

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(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Fiscal Year Ended October 31, 2004)	Change from prior year		(Reference) Fiscal Year Ended October 31, 2004
		Amount	Amount	Amount	Percent	Amount
(Liabilities)						
I	Current Liabilities					
1.	Notes payable, trade	8,309,802	7,584,434	725,368	9.6	8,967,156
2.	Accounts payable, trade	1,917,873	2,305,106	-387,232	-16.8	2,838,409
3.	Short-term bank loans	3,000,000	3,000,000	-	-	-
4.	Long-term bank loans due within one year	10,650,000	10,726,000	-76,000	-0.7	10,747,000
5.	Accounts payable, other	3,049,042	4,668,339	-1,619,296	-34.7	4,065,427
6.	Corporate taxes payable	120,463	43,035	77,428	179.9	362,284
7.	Accrued bonuses to employees	147,792	393,833	-246,041	-62.5	436,029
8.	Other	714,985	826,367	-111,381	-13.5	659,869
	Total Current Liabilities	27,909,960	29,547,116	-1,637,155	-5.5	28,076,177
II	Long-term Liabilities					
1.	Long-term bank loans	18,800,000	21,250,000	-2,450,000	-11.5	20,735,000
2.	Long-term accrued expenses	1,862,211	2,810,376	-948,165	-33.7	2,426,551
3.	Accrued employees retirement benefits	1,399,999	1,206,786	193,212	16.0	1,226,848
4.	Retirement allowances to directors and auditors	95,352	72,746	22,606	31.1	71,542
	Total Long-term Liabilities	22,157,563	25,339,909	-3,182,345	-12.6	24,459,941
	Total Liabilities	50,067,523	54,887,025	-4,819,501	-8.8	52,536,118
(Shareholders' Equity)						
I	Common stock	8,596,737	8,596,737	-	-	8,596,737
II	Capital surplus					
	Additional paid-in capital	9,720,343	9,720,343	-	-	9,720,343
	Total capital surplus	9,720,343	9,720,343	-	-	9,720,343
III	Earned surplus					
	Legal earned surplus	1,375,287	1,375,287	-	-	1,375,287
	Voluntary reserves					
	General reserve	11,831,684	11,281,684	550,000	4.9	11,281,684
	Unappropriated retained earnings	268,296	749,732	-481,436	-64.2	1,443,580
	Total earned surplus	13,475,268	13,406,704	68,563	0.5	14,100,552
IV	Valuation difference on other investment securities	1,198,026	672,308	525,718	78.2	697,897
V	Treasury stock	-184,927	-179,437	-5,490	3.1	-182,475
	Total Shareholders' Equity	32,805,447	32,216,656	588,790	1.8	32,933,055
	Total Liabilities and Shareholders' Equity	82,872,971	87,103,682	-4,230,710	-4.9	85,469,174

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2005

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6. (Summary) Third Quarter Company Statements of Income

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Fiscal Year Ending October 31, 2005)	Prior FY Quarter (Third Quarter of the Fiscal Year Ended October 31, 2004)	Change from prior year		(Reference) Fiscal Year Ended October 31, 2004
		Amount	Amount	Amount	Percent	Amount
I	Operating revenues	40,975,456	42,816,157	-1,840,700	-4.3	59,274,381
II	Cost of revenues	32,056,353	33,400,341	-1,343,988	-4.0	45,811,415
	Gross profit	8,919,103	9,415,815	-496,712	-5.3	13,462,966
III	Selling, general and administrative	8,726,448	8,927,320	-200,872	-2.3	11,620,779
	Operating income	192,654	488,494	-295,839	-60.6	1,842,186
IV	Non-operating revenues					
1	Interest and dividends	54,938	52,908	2,029	3.8	77,222
2	Gain on sale of investment securities	27,890	46,427	-18,536	-39.9	47,261
3	Rents received	179,910	116,037	63,872	55.0	176,170
4	Other	178,213	170,161	8,051	4.7	228,808
	Total non-operating revenues	440,952	385,534	55,417	14.4	529,462
V	Non-operating expenses					
1	Interest expense	237,877	247,787	-9,909	-4.0	332,619
2	Other	128,830	154,321	-25,491	-16.5	211,527
	Total non-operating expenses	366,708	402,108	-35,400	-8.8	544,146
	Ordinary income	266,899	471,920	-205,021	-43.4	1,827,502
VI	Extraordinary profits					
1	Gain on disposal of fixed assets	4,742	466	4,275	917.3	8,334
2	Gain on return of entrusted portion of corporate Employee Welfare Pension Fund	-	606,420	-606,420	-100.0	606,420
3	Other	95,497	5,484	90,013	-	5,472
	Total extraordinary profits	100,239	612,370	-512,131	-83.6	620,226
VII	Extraordinary losses					
1	Loss on sale or disposal of fixed assets	42,863	74,384	-31,521	-42.4	94,392
2	Valuation loss on investment securities	-	10,000	-10,000	-100.0	41,898
3	Transfer to reserve for investment losses	-	-	-	-	50,597
4	Transfer to allowance for doubtful accounts at affiliates	192,465	-	192,465	-	-
5	Other	24,358	14,803	9,554	64.5	18,062
	Total extraordinary losses	259,687	99,187	160,499	161.8	204,949
	Income before taxes and adjustments	107,451	985,103	-877,652	-89.1	2,242,779

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2005

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Corporate, local and business taxes	61,322	9,243	52,079	563.4	832,790
Adjustment for corporate and other	96,808	482,599	-385,791	-79.9	222,880
Current quarter (fiscal year) net income (loss)	-50,678	493,261	-543,939	-	1,187,109
Profit carry-forward from prior period	587,686	557,483	30,202	5.4	557,483
Cash dividends	268,711	268,785	-74	-0.0	268,785
Loss on cancellation of affiliated company stock related to merger	-	32,226	-32,226	-100.0	32,226
Unappropriated retained earnings	268,296	749,732	-481,436	-64.2	1,443,580