Fiscal Year ending October 31, 2006
Interim Financial Statements Bulletin (Consolidated)

June 9, 2006

Listed Company Name Kanamoto Company, Ltd.
Company Code Number 9678
Listing Exchanges Tokyo Stock Exchange, Sapporo Stock Exchange
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Date of Report to the Board of Directors June 9, 2006
SEC Accounting Standards The Company has not adopted SEC accounting standards

1. Consolidated Operating Results for the Interim Period ended April 30, 2006

(Nov. 1, 2005 – Apr. 30, 2006)

(1) Consolidated Operating Results

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

	Revenues		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended April 30, 2006	34,520	4.2	2,873	122.5	2,801	136.3
Six months ended April 30, 2005	33,126	7.0	1,291	- 18.2	1,185	- 22.4
Fiscal year ended October 31, 2005	63,975		1,404		1,550	

	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, 2006	1,048	126.1	35.12	—
Six months ended April 30, 2005	463	- 57.8	15.53	—
Fiscal year ended October 31, 2005	352		11.57	—

Notes 1. Investment profit or loss accounted for by the equity method
Six months ended April 30, 2006 —
Six months ended April 30, 2005 —
Fiscal year ended October 31, 2005 —
2. Average number of shares (consolidated) outstanding during the period
Six months ended April 30, 2006 29,849,847 shares
Six months ended April 30, 2005 29,857,851 shares
Fiscal year ended October 31, 2005 29,856,334 shares
3. Are there any changes in accounting method? Yes
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, 2006	87,003	35,454	40.5	1,181.45
Six months ended April 30, 2005	85,510	33,090	38.7	1,108.32
Fiscal year ended October 31, 2005	81,977	33,465	40.8	1,120.76

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

Six months ended April 30, 2006	29,846,932 shares
Six months ended April 30, 2005	29,856,811 shares
Fiscal year ended October 31, 2005	29,856,076 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, 2006	9,183	501	- 2,731	21,062
Six months ended April 30, 2005	12,739	- 78	- 5,563	18,831
Fiscal year ended October 31, 2005	10,219	- 11	- 7,833	14,108

(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, 2006

(November 1, 2005 - October 31, 2006)

	Revenues	Operating Income	Ordinary Income	Net Income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Full year	66,050	3,630	3,420	1,260

Reference: Projected net income per share of common stock (Full year) ¥42.21

*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 Group

The Kanamoto Company group is comprised of the parent company and seven subsidiaries. The business activities of the group are centered on the rental of construction equipment and the rental and sale of a full line of construction-related materials. An overview of each segment by business of the Kanamoto group, and the position of each company related to that business, is provided below.

(Businesses related to the Construction Equipment Rental Division)

The Company's 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 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. **Flowtechno Corporation** (a non-consolidated subsidiary), which Kanamoto acquired in March 2006, is engaged in the development, manufacture and sale of technology for construction equipment for ground improvement works.

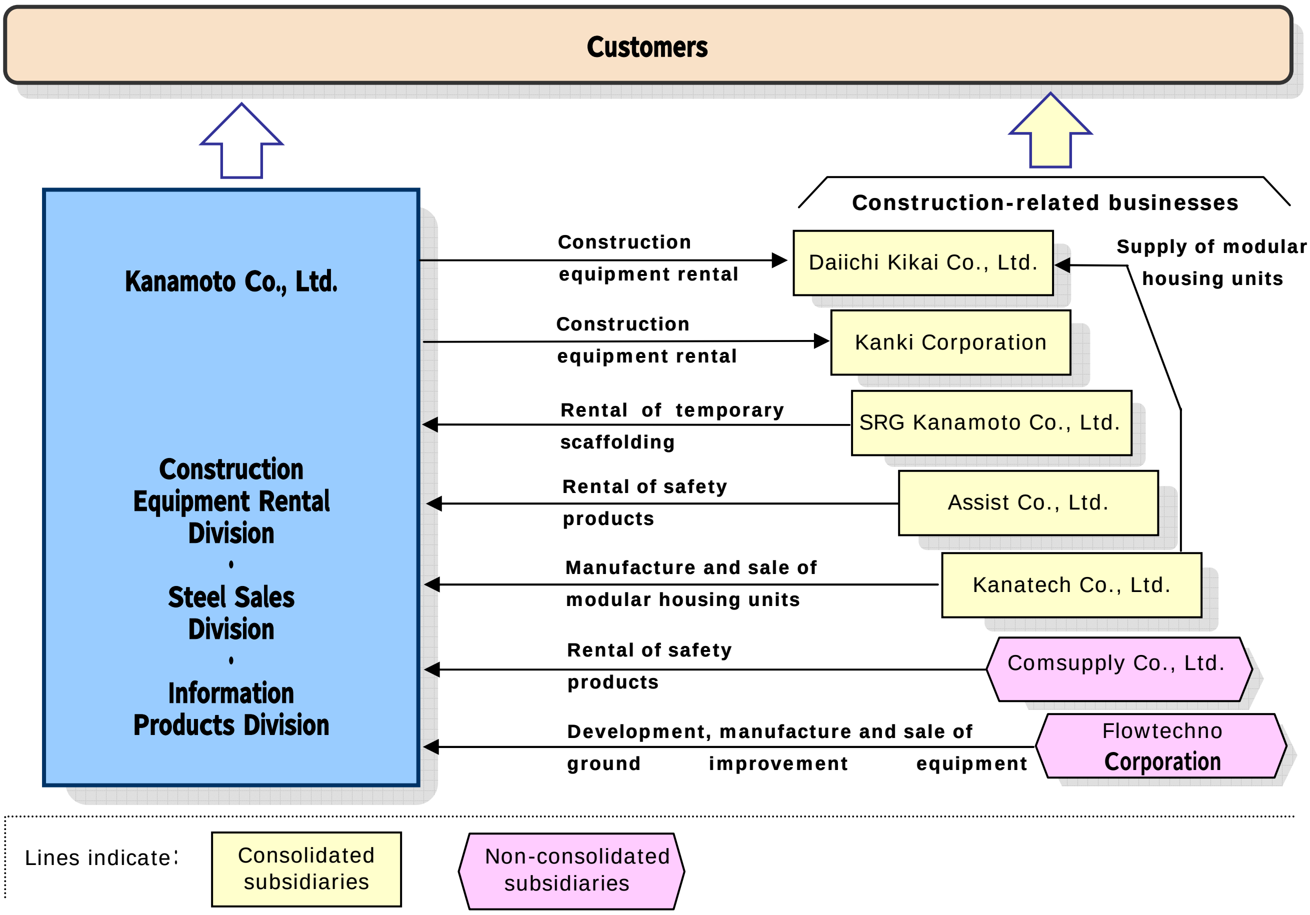
(Businesses related to the Steel Sales Division)

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

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

Kanamoto's Information Products Division is engaged in the rental and sale of computers, including workstations and PC servers, as well as computer peripheral equipment. Active Technology Corporation, an affiliated company involved in the Company's Other Businesses, has currently halted business activities.

【 Relationship of the Operating Businesses 】



II Management Policies

1. Basic management policy

Since being established, Kanamoto Co., Ltd. has never been complacent about its present condition, and has always adhered to an action agenda of promoting maximization of revenues and absolute reduction of costs, while continually seeking innovation and striving to energize its businesses. The Company has positioned this concept as the common philosophy of the entire Kanamoto Company group, and seeks steady earnings growth by managing the group's businesses to conform to changes in the business environment. By following this approach, Kanamoto believes it can satisfy the demands of its stakeholders and will be evaluated as a corporate group that truly is capable of contributing to society.

2. Basic policy concerning profit allocation

As the basis of its earnings distribution policy, Kanamoto seeks to ensure a stable return of earnings to the extent possible, while taking into consideration its earnings level, payout ratio, and financial position from a medium to long-term perspective. At the same time, the Company utilizes its internal reserves by allocating funds for capital investment, including the introduction of rental equipment assets that will serve as the source of future earnings. To enable the Company to flexibly implement its capital policy, Kanamoto has established a system for making purchases of treasury stock.

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

Kanamoto recognizes that reducing the size of its stock investment unit is one effective measure to stimulate market trading of the Company's shares. Therefore Kanamoto will maintain a flexible outlook, while carefully monitoring the position of the Company's stock in the market, the affect on shareholders' returns, the introduction of the system for dematerialization of stock certificates and other factors, and continue to give due consideration to improving the liquidity of its stock. The Company has no plans at this time to execute a stock split.

4. Management indicators established as objectives

Kanamoto's operations require a substantial capital investment burden. Moreover, the structure of this business requires a profit and loss outlook extending over several years. Given these considerations, Kanamoto has always emphasized cash flow, as well as growth in EBITDA^{+} (earnings before interest, taxes, depreciation and amortization) as key management indicators.

Under the long-term management plan (November 2003-October 2008) it currently is implementing, the Company has set the numerical targets shown below. Although the Company tempered the numerical targets for its long-range management plan by making conservative corrections at the end of the prior business period, based on interim period operating results Kanamoto has since revised upward the outlook for the current business period ending in October 2006.

Nevertheless, given the environment surrounding the construction industry that is the major customer for Kanamoto's services, the trends in construction demand arising from differences in the economic recovery between regions and other considerations, the industry's sense of uncertainty remains deep-rooted, and there are numerous evolving factors that will affect the Company's operating results. Because of progress in further improving operating results based on measures it currently is implementing, however, at the present time the Company has set the numerical operating results targets for the period ending in October 2008, the final year of Kanamoto's long-term management plan, somewhat higher than the plan targets corrected downward at the end of the prior period.

(Millions of yen, except net income per share)

		Fiscal Year ending October 2006	Fiscal Year ending October 2008
Consolidated operating results	Revenues	66,050	68,390
	Ordinary income	3,420	3,890
	Net income per share	42.21 yen	68.34 yen
Non-consolidated operating results (Kanamoto Company)	Revenues	59,600	61,700
	Ordinary income	3,430	3,900
	EBITDA+	18,330	18,930

5. Medium to long-term corporate management strategies

Because the severity of the business environment surrounding Kanamoto is expected to continue, the Company adopted a conservative stance when setting the numerical objectives for Metamorphose, the long-term management plan (November 2003 - October 2008) the Company currently is implementing. Nevertheless, by continuing to practice earnings-focused management and maintaining its basic policy of improving and strengthening its financial position, the Company seeks to further expand operating results and build a "strong Kanamoto" that will be evaluated positively by the market. The Company's specific strategies are described below.

(1) Maintain an earnings-focused rental equipment asset portfolio

The Company is maintaining its priority on introducing assets boasting high profit margins. In addition, the Company already has completed replacement of its large rental assets with the latest emissions-controlled models, and will seek to improve profit margins by extending rental periods for such assets.

(2) Execute a bold scrap and build program

Because the share of earnings achieved in major urban areas, particularly the Tokyo metropolitan area, will be closely linked to further growth in the Company's operating results, Kanamoto is limiting new branches in local areas to the minimum number required to maintain its present position, and pursuing rapid establishment of new branches throughout the Tokyo metropolitan area and other key urban areas. The Company also will carefully scrutinize the possibilities for expanding operating results and improving the profitability of each branch, and continue to close and integrate branches.

(3) Build a powerful marketing organization where customers are always Number One

Based on a management model of thoroughly studying user needs, Kanamoto is gradually introducing unique or specialized products that address the requirements at each construction site. Kanamoto also is further strengthening its relationships with local communities, through measures such as Kanamoto's comprehensive compensation system and agreements with local governments to respond to urgent requests following a disaster.

(4) Alliance strategy

The Kanamoto group and its alliance firms currently are active in many regions, from Hokkaido to Okinawa. The Company will continue to expand the common use of products and information, strengthen cooperation among all Kanamoto group firms and increase the synergistic effects from this approach.

6. Issues to be addressed by the Company

Even a cursory review of Japan's fiscal position highlights the fact that conditions make it difficult for the government to greatly expand public works in local areas in the future. On the other hand, the trend in construction equipment rental demand is positive because construction companies are restricting capital investment. Demand for construction equipment rental also is growing because work process control has become an important element of construction companies' efforts to reduce costs. At the present time, the Company is achieving positive results from actions based on its long-term management plan, including reform of Kanamoto's earnings structure and measures to maintain market share in existing market areas, and Kanamoto has set the objective of steadily improving operating income without being unduly affected by the growing competition among firms. The measures Kanamoto is taking to attain this goal are explained below.

(1) Enhance marketing capabilities and customer strategies

As the leading firm in the construction equipment rental industry, Kanamoto strives to develop the construction equipment rental market and promote a sound industry. The Company will also take steps to cultivate a new range of customers, including sectors such as facilities maintenance, landscaping and gardening and events, in addition to its traditional customers, which are mainly in civil engineering works and construction, by diversifying the types of products handled.

(2) Emphasize group management and strengthen alliances

Kanamoto's consolidated subsidiaries are still in a growth phase. To increase operating results at these companies, Kanamoto will strengthen its cooperation from an operating, business and asset management standpoint, including seconding the necessary individuals from Kanamoto, and seek further growth in earnings as a group. In addition, Kanamoto will build its alliance group, mainly through business alliances in every part of Japan. In areas where the Company has not yet opened branches, Kanamoto fundamentally plans to strengthen this alliance group, and also will consider techniques such as business transfers and M&A as effective alternatives.

(4) Reinforce Kanamoto's financial strategy

Kanamoto is taking steps to enhance its funds procurement flexibility, while giving consideration to equipment plans including rental equipment asset purchases. At the same time, the Company is striving to improve its financial position, by reducing interest-bearing debt as much as possible while improving capital efficiency through the liquidation of bill receivables.

(5) Cost reductions in every operation

Kanamoto will continue to seek greater operating efficiency by reviewing low-cost operations and eliminating wasteful expenses. Moreover, although rising interest rates and higher asset introduction costs resulting from factors such as the sharp rise in crude oil and raw materials prices are a concern, together with reviewing and introducing benchmarks the Company will strive for the proper level of asset maintenance costs, based on a fundamental policy of extending the life of its rental assets.

III Operating Results and Financial Position

(1) Operating results

a) Summary of consolidated fiscal year interim period operating results

During the consolidated fiscal year interim period under review, Japan's economy continued to experience a growth phase. Led by major financial institutions, operating results recovered not only in export-related industries such as manufacturing and marine transportation, which benefited from strong external demand for products such as steel and machinery, but also in businesses catering to domestic demand, including real estate, advertising and information services.
Nevertheless, this positive trend was centered on the Tokyo metropolitan area, and in most other areas severe economic conditions were unchanged. The gap in personal consumption broadened as well, as polarization in all aspects of the economy continued unabated. These circumstances applied for the Kanamoto group's main customers in the construction industry as well. Private sector demand remained robust in the Tokyo metropolitan area, but in other regions, construction and capital investment by both the public and private sectors continued to decline, and the harsh business environment persisted.

Despite the fact the business environment for Kanamoto's main customers in construction-related industries remained severe as described above, the revenues of the Kanamoto group expanded at a steady pace throughout Japan, centered on construction equipment rentals. Revenues also were strong for both domestic sales and overseas sales of used equipment and exceeded the same period of the previous consolidated fiscal year. In the steel products sales business the Company is developing in Hokkaido based on condominium construction and other demand, revenues were unchanged from the same period of the previous consolidated fiscal year, while revenues in information and telecommunications-related businesses, which the Company is developing mainly in the Tokyo metropolitan area, were strong and exceeded the same period one year earlier. Overall, revenues expanded at a healthy pace.

From an earnings perspective, on the other hand, operating income, ordinary income and net income all were substantially higher than the Company's initial projection and the results for the same period of the previous consolidated fiscal year. This reflected the gradual realization of results from various measures instituted under the long-term management plan the Company currently is implementing, including improved operating efficiency of rental equipment assets, maintenance of unit prices and a reduction of the Company's depreciation burden.

As a result, revenues from operations for the interim period of the consolidated fiscal year ending October 2006 increased 4.2% compared to the same period of the previous consolidated fiscal year to ¥34,520 million, operating income jumped 122.5% year-on-year to ¥2,873 million, ordinary income increased 136.3% year-on-year to ¥2,801 million and net income soared 126.1% over the same period of the previous consolidated fiscal year to ¥1,048 million. Operating income and the ordinary income for the consolidated fiscal year interim period under review were the highest ever achieved by the Company. Furthermore, beginning from the current consolidated fiscal year, the Company will apply the "Accounting Standard for Impairment of Fixed Assets," and as previously reported booked an impairment loss of ¥594 million for the consolidated fiscal year interim period under review. A summary of operating results for each of the Company's businesses and business development issues deserving special mention are described below.

[Business related to the Construction Equipment Rental Division]

Despite the severe business environment, operating results for the construction-related businesses of the entire Kanamoto group rose significantly for the consolidated fiscal year interim period under review. Revenues increased 4.7% year-on-year to ¥31,241 million, and operating income rose 133.0% to ¥2,742 million.

For Kanamoto's Construction Equipment Rental Division on a stand-alone basis, rental revenues increased 5.8% year-on-year to ¥21,440 million, revenues from sales rose 9.1% year-on-year to ¥6,045 million and total revenues increased 6.5% from the same period of the previous consolidated fiscal year to ¥27,485 million.

< Kanamoto Co., Ltd. on an non-consolidated basis >
Looking at the Company's construction equipment rental revenues by region, total construction investment in the Hokkaido Region and the Tohoku Region has fallen substantially below the levels in the prior year. As a result of efforts to win contracts in various markets including private construction and the Hokkaido Shinkansen project, however, the Company maintained revenues in the Hokkaido Region at the same level as in the same period of the previous consolidated fiscal year. In the Tohoku Region, revenues increased 12.2% year-on-year.
In the Kanto & Shinetsu Region, revenues were up 7.9% year-on-year. In addition to the Tokyo metropolitan area where demand is strong, the Company benefited from special procurement demand in Niigata Prefecture related to disaster recovery work, and private sector capital investment in the Kita-Kanto Region. Revenues in the Kinki-Chubu Region were 5.5% higher than in the same period of the previous consolidated fiscal year. In addition to the synergistic effect from making Kanki Corporation a consolidated subsidiary company, revenue was boosted by disaster recovery work in Kobe, Awajishima and Fukui and a recovery in private sector demand in Osaka. The division's nationwide business efforts bore fruit and produced strong results. The percentage of revenues accounted for by Hokkaido and Honshu and other regions was 31.4% and 68.6%, respectively.

During the consolidated fiscal year interim period under review, Kanamoto closed only one branch in Kanazawa in the first quarter. As a result, Kanamoto had 145 branches.

< Consolidated subsidiaries >
Daiichi Kikai Co., Ltd. enjoyed strong construction equipment rentals in both Kanoya and Tarumizu, increasing revenues 5.8% compared to the same period of the previous consolidated fiscal year and boosting operating income 66.7% year-on-year.
SRG Kanamoto Co., Ltd. increased rentals of temporary scaffolding for private sector construction work and new bridge construction in the Sapporo area. Revenues expanded 15.1% from the same period of the previous consolidated fiscal year, and the company substantially reduced its operating loss by 92.6%.
At Assist Co., Ltd., revenues were up 4.0% year-on-year, and operating income rose 39.1% from the same period of the previous consolidated fiscal year, even though revenues and earnings for the measurement equipment rental business were smaller than the initial objective because the company outsourced rentals of this equipment to other Kanamoto alliance group firms.
At Kanki Corporation, which is restructuring its management, revenues were 17.7% lower than in the same period of the previous consolidated fiscal year, despite strong growth in rental revenues accompanying its business restructuring, because the company was unable to increase product sales. Furthermore, operating income was greatly improved by ¥56 million, even though the cost burden for investment in rental equipment assets was substantially higher.
Kanatech Co., Ltd. saw its revenues decline 13.7% from the same period of the previous consolidated fiscal year, because of the time lag between orders and productions. Nevertheless, the company greatly reduced its operating loss by 97.6%.
As already reported, Flowtechno Corporation, a company that develops, manufactures and sells technology for ground improvement construction equipment, was made a subsidiary company of Kanamoto on March 1.

[Business related to the Steel Sales Division]
The Steel Sales Division achieved strong sales of products it handles, including new materials such as high-endurance insulated waterproof roofing and the KT roof system). Because selling prices fell sharply as a result of market concerns of excess steel materials inventories, however, revenues edged down 0.1% year-on-year to ¥3,058 million, and operating income was down 47.0% from the same period of

the previous consolidated fiscal year to ¥12 million.

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

Although rental demand in the Tokyo metropolitan area for personal computers is growing at a steady pace, revenues for the Information Products Division decreased 2.2% compared with the same period of the previous consolidated fiscal year as rental fees also fell. On the other hand, revenues from sales of used devices increased 45.0% year-on-year during the same period. Revenues for the entire division increased 2.0% year-on-year to ¥219 million, and operating income climbed 100.6% to ¥21 million.

Interim Period for the Fiscal Year ending October 31, 2006 Consolidated Operating Results

(Million yen; % change from prior year)

	Revenues		Operating Income		Ordinary Income		Net Income	
Consolidated Fiscal Year Under Review	34,520	4.2	2,873	122.5	2,801	136.3	1,048	126.1
Prior Consolidated Fiscal Year	33,126	7.0	1,291	- 18.2	1,185	- 22.4	463	- 57.8

2. Financial position

Summary of consolidated fiscal year interim period financial position

Cash flow from operating activities was ¥9,183 million, 27.9% less than in the same period of the previous consolidated fiscal year. Although income before taxes and adjustments increased, cash flow from operating activities was lower mainly because cash flow in the same period one year earlier was boosted substantially by a large decrease in accounts receivable, trade that resulted from the start of the Company's bill receivables liquidation program, and liquidations of bill receivables have now returned to a stabilized level.

Cash flow from investing activities was ¥501 million, up ¥580 million compared to the same period of the previous consolidated fiscal year. This mainly reflected funds provided from the sale of investment securities.

Cash flow used for financing activities was ¥2,731 million, a decrease of 50.9% compared to the same period of the previous consolidated fiscal year. This mainly reflected an increase in funds provided by long-term bank loans, and a decrease in funds used for repayment of installment obligations.

As a result of the above, the balance of cash and cash equivalents at the end of the consolidated fiscal year interim period under review increased ¥2,231 million compared with the interim period of the previous consolidated fiscal year, to ¥21,062 million.

〔Cash flow indicator trends for the Kanamoto group〕
The cash flow indicator trends for the Kanamoto group are provided below.

	Fiscal Year Ended October 2003	Fiscal Year Ended October 2004	Fiscal Year Ended October 2005	Interim Period Ended April 2006
Shareholders' equity ratio (%)	35.8	36.7	40.8	40.5
Shareholders' equity ratio on a market capitalization basis (%)	17.7	18.1	26.6	31.7
Years to repay debt	4.0	6.3	3.3	3.5
Interest coverage ratio (times)	17.2	13.4	24.5	46.6

(Notes)
Shareholders' equity ratio: Shareholders' equity / Total assets
Shareholders' equity ratio on a market capitalization basis: Shareholders' equity on a market capitalization basis / Total assets
Years to repay debt: Interest-bearing liabilities / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments
*All indicators are calculated using financial values on a consolidated basis.
*Total market capitalization is calculated by multiplying the closing share price at the end of the term by the number of shares outstanding (after deducting treasury stock) at the end of the term.
*Cash flow from operating activities shown on the Consolidated Statements of Cash Flows is used as operating cash flow.
Interest-bearing liabilities include all liabilities on which the Company pays interest that are accounted for on the Consolidated Balance Sheets.
The amounts shown as interest expense on the Consolidated Statements of Cash Flows are used as interest payments.

3. Outlook for the fiscal year (Business Period ending October 2006)

Japan's economy is demonstrating steady growth centered on large-scale firms in sectors such as machinery and automobiles, which have been stimulated by foreign demand, and boosted by the progress major financial institutions have made in disposing of non-performing loans. While numerical values shown for disposal income would appear to be one aspect of a nationwide boom that seems supported by signs of a recovery in most industries, the construction industry is one industry that has not benefited from the business recovery. Economic polarization in Japan continues to grow, with disparities evident from every perspective including differences among regions, differences among firms in size, differences among industries and finally, differences among individuals in standard of living. The environment surrounding the construction industry in local regions remains difficult because of stringent local government financial conditions, and this business environment is not expected to improve significantly.

Against this backdrop of differences among regions in the extent of economic recovery and differences among industries as described above, the Company expects the business environment surrounding the Kanamoto group to be affected by uncertain construction demand and the severity of business conditions to continue. Nevertheless, as already reported in the press release "Notification Concerning Revision of Projected Interim and Full-year Operating Results and Extraordinary Loss" dated May 25, 2006, based on interim operating results the Company has revised its projected full-year operating results.

Although actual results are unpredictable from the standpoint of both revenues and earnings, the Company will seek to generate revenues that will maintain this earnings trend, as it continues to achieve positive results from the various measures based on the long-term management plan the Company currently is executing, including improvements in the Company's earnings capabilities and the recovery of its sales and marketing momentum.

Projected Operating Results for the Fiscal Year Ending October 31, 2006

(November 1, 2005 - October 31, 2006)

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

		Revenues	Operating Income	Ordinary Income	Net Income
Prior projection	(A)	63,210	1,910	1,680	610
Revised projection	(B)	66,050	3,630	3,420	1,260
Increase (decrease)	(B−A)	2,840	1,720	1,740	650
Rate of change	(%)	4.5%	90.1%	103.6%	106.6%
Fiscal year ended October 31, 2005		63,975	1,404	1,550	352

Reference: Projected net income per share of common stock (Full year) ¥42.21

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

		Revenues	Operating Income	Ordinary Income	Net Income
Prior projection	(A)	56,760	1,650	1,730	700
Revised projection	(B)	59,600	3,330	3,430	1,310
Increase (decrease)	(B−A)	2,840	1,680	1,700	610
Rate of change	(%)	5.0%	101.8%	98.3%	87.1%
Fiscal year ended October 31, 2005		57,202	1,526	1,960	609

Reference: Projected net income per share of common stock (Full year) ¥43.89

〔 **Projected Financial Position for the Fiscal Year Ending October 31, 2006** 〕

Cash flow from operating activities is projected to decrease compared with the previous consolidated fiscal year because the decrease in accounts receivable, trade accompanying the liquidation of bill receivables has reached a stabilized level.

Cash flow from investing activities is projected to remain at the same level as the previous consolidated fiscal year because there are no large factors that will change.

Cash flow from financing activities is projected to decrease compared with the previous consolidated fiscal year because of a decrease in funds provided by long-term bank loans.

Based on the results described above, the balance of cash and equivalents at end of the consolidated fiscal year is projected to decrease compared with previous consolidated fiscal year.

4. Business and other risks

The following risks are included among the business and accounting matters described in the interim financial statements bulletin that might have an important influence on investors' decisions.
Statements concerning future matters are judgments made by the Company during the consolidated fiscal year interim period.

(1) Economic conditions

Because the construction-related businesses that are the main business of the Kanamoto group remain highly dependent on public works, the stagnation of market growth and intensification of price competition resulting from ongoing cutbacks in public works investment are continuing and the severity of the business environment is expected to continue.
To minimize the affects from cutbacks in public works, the Kanamoto group is implementing various management measures, such as shifting management resources to major metropolitan areas where private sector demand is strong, and seeking to maintain and improve operating results. Nevertheless, there is a possibility future operating results including revenues will be negatively affected if further large reductions in public works or other changes affecting industry demand occur in the future.

(2) Seasonal changes in operating results

Because budget decisions for public works are made in April of each year, there is a time lag of roughly six months before construction actually is begun. Therefore the construction-related businesses that are Kanamoto's main business experience a trend in which the busy season during each business period extends from about October until the following March, and construction equipment rental demand reaches its maximum peak during this period. As a result, the revenues and earnings of the Kanamoto group tend to be concentrated in the Company's interim accounting period.

(3) Interest rate fluctuations

The Kanamoto group allocates internal capital and procures funding from outside sources to meet its need for funds to purchase rental equipment and other assets, make branch-related capital investments and provide working capital for business activities. Although the Company takes steps to mitigate the affect of interest rate fluctuations on its externally borrowed funds, including transactions to fix the interest rates paid on borrowed funds to the extent possible, there is a possibility the operating results and financial position of the Kanamoto group will be affected by future changes in interest rates.

(4) Projected benefit obligation

The projected employee benefit obligation and costs of the Kanamoto group are calculated mainly based on basic rates such as a discount rate and expected rate of return on pension assets. Because these basic rates are determined in each annual review, they have a material affect on changes in the operating results and financial position of the Kanamoto group. Although the Kanamoto group is studying ways to minimize this influence, including conversion of benefit plans to a defined contribution pension plan or a cash balance pension system, there is a possibility the operating results and financial position of the Kanamoto group will be negatively affected by a further reduction in the discount rate or a deterioration in returns on invested assets.

(5) Asset impairment accounting for fixed assets

Beginning from the business period ending in October 2006, the Kanamoto group will apply the "Accounting Standard for Impairment of Fixed Assets." During the consolidated fiscal year interim period under review, the Company booked an impairment loss of ¥594 million for certain tangible fixed assets (5 land parcels) owned by Kanamoto. There is a possibility the operating results and financial position of the Kanamoto group might be negatively affected if the profitability of fixed assets declines because of factors such as a marked deterioration in the Company's business environment in the future.

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, 2005)		Current Consolidated Fiscal Year Interim Period (As of April 30, 2006)		Prior Fiscal Year Summary Consolidated Balance Sheet (As of October 31, 2005)	
	Amount	Percent	Amount	Percent	Amount	Percent
(Assets)						
Current Assets						
Cash and deposits	18,839,080		21,065,337		14,111,882	
Notes and accounts receivable, trade	12,705,791		13,242,954		14,329,090	
Inventory	575,110		641,479		538,951	
Construction equipment	1,688,674		1,312,970		1,469,376	
Deferred tax assets	371,742		316,581		318,999	
Other current assets	648,807		494,345		873,516	
Allowance for doubtful accounts	- 680,494		- 605,691		- 923,256	
Total Current Assets	34,148,712	39.9	36,467,976	41.9	30,718,560	37,4
Fixed Assets						
Tangible Fixed Assets *1						
Rental equipment	10,452,285		9,260,137		9,811,304	
Buildings and structures	6,752,856		6,291,934		6,501,912	
Machinery, equipment and delivery equipment	848,215		740,549		792,395	
Land	26,062,314		25,791,953		26,140,976	
Construction in progress	95,752		24,244		—	
Other tangible fixed assets	342,568		273,850		292,326	
Total Tangible Fixed Assets	44,553,992	52.1	42,382,668	48.7	43,538,915	53.1
Intangible Fixed Assets						
Total Intangible Fixed Assets	782,724	0.9	610,652	0.7	688,421	0.8
Investments and Other Assets						
Investment securities	4,318,655		6,601,532		5,753,056	
Deferred tax assets	749,681		—		302,238	
Other assets	2,146,377		1,778,065		1,754,473	
Allowance for doubtful accounts	- 1,189,438		- 837,154		- 778,148	
Total Investments and Other Assets	6,025,276	7.1	7,542,443	8.7	7,031,620	8.5
Total Fixed Assets	51,361,993	60.1	50,535,764	58.1	51,258,957	62.5
Total Assets	85,510,705	100.0	87,003,740	100.0	81,977,517	100.0

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

Category \ Period	Prior Consolidated Fiscal Year Interim Period (As of April 30, 2005)		Current Consolidated Fiscal Year Interim Period (As of April 30, 2006)		Prior Fiscal Year Summary Consolidated Balance Sheet (As of October 31, 2005)	
	Amount	Percent	Amount	Percent	Amount	Percent
(Liabilities)						
Current Liabilities						
Notes and accounts payable, trade	13,039,913		13,441,414		10,837,618	
Short-term bank loans	655,972		558,696		577,364	
Long-term bank loans due within one year	10,497,496		10,570,496		10,718,496	
Corporate taxes payable	708,982		1,158,159		555,570	
Accrued bonuses to employees	532,609		566,786		515,796	
Accrued bonuses to directors and auditors	—		2,750		—	
Accounts payable, other	3,327,415		2,617,049		2,464,772	
Other current liabilities	610,636		1,167,947		467,946	
Total Current Liabilities	29,373,025	34.4	30,083,300	34.6	26,137,564	31.9
Long-term Liabilities						
Long-term bank loans	19,185,855		17,545,359		18,643,607	
Accrued employees retirement benefits	1,341,001		1,589,518		1,525,993	
Retirement allowances to directors and auditors	120,535		141,254		110,473	
Long-term accrued expenses	2,237,469		1,871,385		1,968,265	
Consolidation adjustment	—		364,763		—	
Other long-term liabilities	72,491		33,871		55,003	
Total Long-term Liabilities	22,957,352	26.8	21,546,152	24.8	22,303,342	27.2
Total Liabilities	52,330,378	61.2	51,629,452	59.3	48,440,907	59.1
(Minority Interests)						
Minority interests	89,536	0.1	111,603	0.1	71,135	0.1
(Shareholders' Equity)						
Common stock	8,596,737	10.0	8,596,737	9.9	8,596,737	10.5
Additional paid-in capital	9,720,343	11.4	9,720,343	11.2	9,720,343	11.8
Earned surplus	14,071,358	16.5	14,464,078	16.6	13,691,585	16.7
Valuation difference on other negotiable securities	886,387	1.0	2,672,989	3.1	1,643,403	2.0
Treasury stock	- 184,036	- 0.2	- 191,464	- 0.2	- 186,594	- 0.2
Total Shareholders' Equity	33,090,790	38.7	35,262,684	40.5	33,465,475	40.8
Total Liabilities and Shareholders' Equity	85,510,705	100.0	87,003,740	100.0	81,977,517	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, 2004 to April 30, 2005)		Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)		Prior Fiscal Year Summary Consolidated Balance Sheet (From November 1, 2004 to October 31, 2005)	
		Amount	Percent	Amount	Amount	Percent	Amount
Revenues from operations							
Rental revenues		22,504,784		24,004,132		42,985,807	
Sales		10,621,999		10,516,055		20,989,405	
Total revenues from operations		33,126,783	100.0	34,520,187	100.0	63,975,212	100.0
Cost of revenues from operations							
Cost of rental revenues		16,332,000		16,446,658		31,949,570	
Cost of goods sold		8,564,883		8,144,894		16,785,504	
Total cost of revenues		24,896,884	75.2	24,591,553	71.2	48,735,074	76.1
Gross profit		8,229,899	24.8	9,928,633	28.8	15,240,137	23.8
Selling, general and administrative expenses	*1	6,938,617	20.9	7,055,561	20.4	13,835,766	21.6
Operating income		1,291,282	3.9	2,873,072	8.3	1,404,371	2.2
Non-operating revenues							
Interest revenue		2,985		229		3,756	
Dividend income		26,826		10,104		57,149	
Gain on sale of investment securities		17,807		17,799		363,963	
Insurance benefits		16,601		22,934		47,709	
Rents received		46,801		44,849		94,173	
Cash bonus received		888		—		—	
Other		70,758		76,859		149,796	
Total non-operating revenues		182,669	0.6	172,776	0.5	716,548	1.1
Non-operating expenses							
Interest expense		180,106		168,160		353,256	
Other		108,362		76,327		217,449	
Total non-operating expenses		288,469	0.9	244,487	0.7	570,705	0.9
Ordinary income		1,185,481	3.6	2,801,361	8.1	1,550,213	2.4
Extraordinary profits							
Gain on sale or retirement of fixed assets	*2	4,742		883		57,930	
Valuation gain on investment partnership		6,299		544		10,849	
Gain on reversal of allowance for doubtful accounts		—		—		24,174	
Gain on sale of investment securities		—		—		26,906	
Other		103,378		14,864		1,164	
Total extraordinary Profits		114,419	0.3	16,292	0.1	121,025	0.2

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

Category / Period		Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)		Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)		Prior Fiscal Year Summary Consolidated Balance Sheet (From November 1, 2004 to October 31, 2005)	
		Amount	Percent	Amount	Percent	Amount	Percent
Extraordinary losses							
Loss on sale or retirement of fixed assets	*3	40,181		16,753		147,388	
Impairment loss	*4	—		594,568		—	
Valuation loss on investment securities		221		—		29,961	
Loss on valuation of affiliated company stock		—		—		55,000	
Valuation loss on investment partnership		5,470		17,804		15,613	
Transfer to allowance for doubtful accounts to affiliated companies		192,465		—		255,724	
Other		19,608		9,365		1,802	
Total extraordinary losses		257,947	0.8	638,492	1.9	545,383	0.8
Income before taxes and adjustments		1,041,953	3.1	2,179,161	6.3	1,125,855	1.8
Corporate, local and business taxes		634,288	1.9	1,121,920	3.3	858,422	1.3
Adjustment for corporate and other taxes		- 86,311	- 0.3	- 31,697	- 0.1	- 97,079	- 0.1
Minority interest in income or loss		30,291	0.1	40,468	0.1	11,889	0.0
Net income		463,684	1.4	1,048,470	3.0	352,623	0.6

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, 2004 to April 30, 2005)		Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)		Prior Fiscal Year Summary Consolidated Statement of Income (From November 1, 2004 to October 31, 2005)	
	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 (consolidated fiscal year)		9,720,343		9,720,343		9,720,343
(Earned Surplus)						
Balance of earned surplus at the beginning of the period		13,913,568		13,691,585		13,913,568
Increase in earned surplus						
Interim period net income	463,684	463,684	1,048,470	1,048,470	352,623	352,623
Decrease in earned surplus						
Dividends	298,594		268,677		567,305	

Directors and auditors' bonuses	7,300	305,894	7,300	275,977	7,300	574,605
Balance of earned surplus at the end of the interim period (consolidated fiscal year)		14,071,358		14,464,078		13,691,585

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, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Fiscal Year Summary Consolidated Statement of Cash Flows (From November 1, 2004 to October 31, 2005)
	Amount	Amount	Amount
Cash flow from operating activities			
Income before taxes and adjustments	1,041,953	2,179,161	1,125,855
Amortization of consolidation adjustment account	54,289	52,273	106,781
Depreciation and amortization expense	2,434,740	2,282,463	5,211,105
Impairment loss	—	594,568	—
Gain on sale or retirement of fixed assets	- 4,742	- 883	- 57,930
Loss on sale or retirement of fixed assets	40,181	16,753	147,388
Installment purchases of assets for small-value rentals	46,432	8,749	69,455
Reclassification of cost of sales associated with disposal of construction equipment	4,924	1,615	7,442
Reclassification of cost of sales associated with disposal of rental assets	450,189	244,027	564,032
Expenditures for acquisition of rental assets	- 1,421,374	- 567,212	- 2,465,393
Valuation loss on investment securities	221	—	84,961
Gain on sale of investment securities	- 17,807	- 17,799	- 363,963
Increase in allowance for doubtful accounts	- 521,731	- 258,557	- 690,259
Increase (decrease) in accrued bonuses to employees	52,012	50,990	35,198
Increase in accrued bonuses to directors and auditors	—	2,750	—
Increase (decrease) in accrued employees retirement benefits	112,171	66,070	297,163
Increase in retirement allowances to directors and auditors	24,253	28,235	14,191
Interest revenue and dividend income	- 29,811	- 10,333	- 60,905
Interest expense on installment purchases of rental assets	36,464	23,259	68,120
Interest expense	180,106	168,160	353,256
(Increase) decrease in accounts receivable, trade	10,774,757	1,086,136	9,151,458
(Increase) decrease in inventory assets	127,949	- 102,528	164,108
Increase (decrease) in accounts payable, trade	- 365,689	2,603,795	- 2,567,984
Increase (decrease) in accounts payable, other	119,717	385,363	- 195,552

Directors and auditors' bonuses paid	- 7,300	- 7,300	- 7,300
Other, net	90,445	1,060,185	256,190
Subtotal	13,222,355	9,889,946	11,247,422
Interest and dividends received	29,811	10,333	60,905
Interest expense	- 218,317	- 197,163	- 417,194
Payment of corporate and other taxes	- 294,120	- 519,330	- 671,665
Cash flow from operating activities	12,739,730	9,183,785	10,219,467

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

Category \ Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Fiscal Year Summary Consolidated Statement of Cash Flows (From November 1, 2004 to October 31, 2005)
	Amount	Amount	Amount
Cash flow from investing activities			
Disbursements for investments in term deposits	—	—	5,000
Funds used for the purchase of tangible fixed assets	- 250,051	- 403,049	- 484,985
Funds provided from the sale of tangible fixed assets	118,689	24,563	314,122
Funds used for the purchase of intangible fixed assets	- 44,151	- 5,914	- 50,730
Funds used for the purchase of investment securities	- 444,132	- 308,269	- 1,188,707
Funds provided from the sale of investment securities	539,556	1,244,098	1,386,291
Funds used for payment of capital contribution	—	- 200	—
Funds provided from sale of consolidated subsidiary stock	—	—	2,902
Funds used for the purchase of non-consolidated subsidiary stock	—	- 50,025	—
Other	1,096	60	4,741
Cash flow from investing activities	- 78,992	501,264	- 11,364
Cash flow from financing activities			
Decrease in short-term bank loans	- 20,667	- 18,668	- 99,275
Funds provided by long-term bank loans	2,500,000	4,400,000	7,900,000
Funds used to repay long-term bank loans	- 5,704,248	- 5,646,248	- 11,425,496
Funds used for repayment of installment obligations	- 2,038,759	- 1,193,130	- 3,637,197
Funds used for the purchase of treasury stock	- 1,560	- 4,869	- 4,118
Payment of dividends to parent company	- 298,594	- 268,677	- 567,305
Cash flow from financing activities	- 5,563,830	- 2,731,594	- 7,833,393
Increase (decrease) in cash and equivalents	7,096,906	6,953,455	2,374,708
Balance of cash and equivalents at beginning of period	11,734,154	14,108,863	11,734,154
Balance of cash and equivalents at end of the interim period (consolidated fiscal year)	18,831,061	21,062,318	14,108,863

5. Significant Accounting Policies for the Consolidated Financial Statements

Category / Period	Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
1. Companies included in the consolidation	(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 equity) are small in size and do not have a material effect on the interim consolidated 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. Flowtechno Corporation (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 equity) are small in size and do not have a material effect on the interim consolidated 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 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 (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 Flowtechno Corporation) and affiliated company (Active Technology 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 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 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, 2006 and the interim consolidated accounting date on April 30, 2006 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.

(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 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 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	a. Negotiable securities Other negotiable securities Securities with a market price Same as at left Securities without market prices Same as at left b. Construction equipment Same as at left c. Merchandise inventories and supplies (i) Merchandise inventories Same as at left (ii) Supplies 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 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 The Company has adopted the declining-balance method. 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. 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.	a. Reserve for doubtful accounts Same as at left b. Accrued bonuses to employees Same as at left	a. Reserve for doubtful accounts Same as at left b. Accrued bonuses to employees Same as at left

	――――――	c. Accrued bonuses to directors and auditors The Company provides for accrued directors and auditors' bonuses. At the end of the interim consolidated accounting period, the Company accrued an amount to provide for the liability recognized during the period. (Supplemental information) In the past, the Company accounted for directors and auditors' bonuses as a decrease in unappropriated retained earnings, based on the Proposal for Appropriation of Retained Earnings approved at the General Meeting of the Shareholders. Beginning from this interim consolidated accounting period, however, the Company will accrue an amount to provide for the liability recognized as having occurred during the period, based on the Practical Solution on Tentative Treatments of Accounting for Directors' Bonuses (Accounting Standards Board of Japan, Theme Advisory Committee Recommendation No. 13 dated March 9, 2004). As a result, operating income, ordinary income and income before taxes and adjustments were ¥2,750,000 less than they otherwise would have been had the accounting standards used in past periods been applied.	――――――

	d. 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.	d. Accrued employees retirement benefit Same as at left	d. 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.
	e. 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.	e. Retirement allowances to directors and auditors Same as at left	e. 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 accounting 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. c. Hedging policies The Company's use of derivative transactions is limited to hedging risk within the scope of the Company's assets and liabilities subject to market fluctuation risk. d. Method for evaluating the effectiveness of hedges The Company does not evaluate the effectiveness of its hedge transactions because it can assume that its currency swap transactions and forward transactions will completely offset market fluctuations or changes in cash flow from the time hedge begins until it is terminated. In addition, the Company's interest swap transactions fulfill the requirements for special rule accounting, and the Company has elected to use this in place of an evaluation of effectiveness.	b. Hedge methods and hedged transactions Same as at left c. Hedging policies Same as at left d. Method for evaluating the effectiveness of hedges Same as at left	b. Hedge methods and hedged transactions Same as at left c. Hedging policies 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.

Changes in Important Matters Used as the Basis for Preparation of the Interim Consolidated Financial Statements

Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
―――	(Accounting Standard for Impairment of Fixed Assets) Beginning from this consolidated fiscal year interim period, the Company has adopted the Accounting Standard for Impairment of Fixed Assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets," Business Accounting Council, August 8, 2002) and "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets," Accounting Standards Board of Japan, October 31, 2003, Financial Accounting Standard Implementation Guidance No. 6). As a result, interim period income before taxes and adjustments was ¥594,568,000 lower than it would have been had the accounting standards used in previous periods been applied. The total amount of the impairment loss is deducted directly from the balance for each asset based on the revised standards for preparation of interim consolidated financial statements and other rules.	―――

Change in Reporting Method

Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)
(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)

Item \ Period	Prior Consolidated Fiscal Year Interim Period (As of April 30, 2005)	Current Consolidated Fiscal Year Interim Period (As of April 30, 2006)	Prior Consolidated Fiscal Year (As of October 31, 2005)
*1. Total accumulated depreciation for tangible fixed assets	41,862,006,000	41,961,192,000	42,107,202,000
2. Guarantees Joint and several guarantees of employee bank loans	31,294,000	31,159,000	30,779,000
Guarantee of debt for long-term bank loan to affiliated company (Active Power Co., Ltd.)	—	100,000,000	—
3. Discount on notes receivable, trade	155,972,000	475,474,000	373,580,000
4. Balance of notes receivable-trade endorsed	93,700,000	—	—
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 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 receivable, trade 43,551,000 Notes payable, trade 1,485,239,000	
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.	The Company liquidates bill receivables based on notes receivables transfer program. Notes receivable, trade 7,921,742,000 The amount of notes receivable, trade with a right of recourse to the Company included in balance of notes receivable, trade is ¥1,665,477,000.	The Company liquidates bill receivables based on notes receivables transfer program. Notes receivable, trade 5,348,993,000 The amount of notes receivable, trade with a right of recourse to the Company included in balance of notes receivable, trade is ¥1,152,352,000.

(Notes to the Interim Consolidated Statements of Income)

Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
*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 Amortization of consolidation adjustment account 54,289,000	*1. Major expense categories and amounts included in selling, general and administrative expenses Employee salaries and wages 2,673,627,000 Depreciation expense 382,867,000 Rents 779,729,000 Transfer to allowance for doubtful accounts 49,261,000 Transfer to accrued bonuses to employees 553,776,000 Transfer to accrued bonuses to directors and auditors 2,750,000 Employees retirement benefit expense 156,204,000 Transfer to retirement allowances to directors and auditors 9,268,000 Amortization of consolidation adjustment account 52,273,000	*1. Major expense categories and amounts included in selling, general and administrative expenses Employee salaries and wages 5,220,900,000 Depreciation expense 861,893,000 Rents 1,529,712,000 Transfer to allowance for doubtful accounts 203,769,000 Transfer to accrued bonuses to employees 509,379,000 Employees retirement benefit expense 515,384,000 Transfer to retirement allowances to directors and auditors 14,191,000 Amortization of consolidation adjustment account 106,781,000
*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	*2. Gain on sale or retirement of fixed assets Land 772,000 Buildings and structures 110,000 Total 883,000	*2. Gain on sale or retirement of fixed assets Land 51,273,000 Buildings and structures 3,122,000 Machinery, equipment and delivery equipment 3,528,000 Other 6,000 Total 57,930,000
*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	*3. Loss on sale or retirement of fixed assets. (Loss on sale of fixed assets) Land 2,428,000 Other 284,000 (Loss on retirement of fixed assets) Rental equipment 12,040,000 Buildings and structures 1,541,000 Machinery, equipment and delivery equipment 155,000 Other 304,000 Total 15,427,000	*3. Loss on sale or retirement of fixed assets. (Loss on sale of fixed assets) Buildings and structures 58,116,000 Machinery, equipment and delivery equipment 605,000 Land 1,915,000 Other 53,000 (Loss on retirement of fixed assets) Rental equipment 38,767,000 Buildings and structures 5,623,000 Machinery, equipment and delivery equipment 8,855,000 Other 33,449,000 Total 147,388,000

<table>
<tr>
<th>Prior Consolidated Fiscal Year
Interim Period
(From November 1, 2004
to April 30, 2005)</th>
<th>Current Consolidated Fiscal Year
Interim Period
(From November 1, 2005
to April 30, 2006)</th>
<th>Prior Consolidated Fiscal Year
(From November 1, 2004
to October 31, 2005)</th>
</tr>
<tr>
<td>*4. ―――――</td>
<td>*4. Impairment loss
In the consolidated fiscal year interim period, the Company incurred an impairment loss on the following asset group.
<table>
<tr><th>Location</th><th>Use</th><th>Asset</th></tr>
<tr><td>Muroran, Hokkaido and 5 other locations</td><td>Dormant asset</td><td>Land</td></tr>
</table>
Asset groupings used by the Company to apply asset impairment accounting are based on the smallest unit for which profitability can be determined regularly. Specifically, dormant assets are grouped using the assets for each property.
For certain dormant assets for which the asset value was less than book value, the Company reduced book value to the recoverable value, and accounted for the reduction as an impairment loss (¥594,568,000) under extraordinary losses. This ¥594,568,000 was for land.
The recoverable value for this asset group is measured according to net sales price, and the land is evaluated using the inheritance tax assessment value based on the land tax assessment value or other amount as a base.</td>
<td>*4. ―――――</td>
</tr>
</table>

(Notes to the Interim Consolidated Statements of Cash Flows)

Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
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)	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, 2006)	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, 2005)
Cash and equivalents 18,839,080,000	Cash and equivalents 21,065,337,000	Cash and equivalents 14,111,882,000
Term deposits with a maturity longer than 3 months -8,019,000	Term deposits with a maturity longer than 3 months - 3,018,000	Term deposits with a maturity longer than 3 months - 3,018,000
Items considered to be cash and equivalents 18,831,061,000	Items considered to be cash and equivalents 21,062,318,000	Items considered to be cash and equivalents 14,108,863,000

V Business Segment Information

(Segment Information by Type of Business)

Prior interim consolidated accounting period (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
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, 2005 to April 30, 2006)

(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	31,241,904	3,058,485	219,797	34,520,187	—	34,520,187
(2) Sales or transfers between related segments	—	—	—	—	—	—
Total	31,241,904	3,058,485	219,797	34,520,187	—	34,520,187
Operating expenses	28,499,481	3,045,813	197,837	31,743,132	- 96,017	31,647,114
Operating income	2,742,422	12,671	21,960	2,777,054	96,017	2,873,072

(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, 2004 to October 31, 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	57,844,580	5,699,737	430,894	63,975,212	—	63,975,212
(2) Sales or transfers between related segments	—	—	—	—	—	—
Total	57,844,580	5,699,737	430,894	63,975,212	—	63,975,212
Operating expenses	56,640,650	5,675,002	410,775	62,726,427	- 155,586	62,570,841
Operating income	1,203,930	24,734	20,119	1,248,784	155,586	1,404,371

(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 Lease Transactions

Prior Consolidated Fiscal Year Interim Period (From November 1, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
1. Finance lease transactions except for leases that transfer ownership of the property to the lessee.	1. Finance lease transactions except for leases that transfer ownership of the property to the lessee.	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	(1) Amounts corresponding to lease property acquisition prices, accumulated depreciation and outstanding balance at the end of the interim period	(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 A	Please refer to Annex B	Please refer to Annex C
(2) Outstanding balance of future lease payments at the end of the interim period	(2) Outstanding balance of future lease payments at the end of the interim period	(2) Outstanding balance of future lease payments at the end of the period
Within one year 5,839,307,000	Within one year 6,217,624,000	Within one year 5,777,918,000
After one year 17,883,217,000	After one year 15,764,380,000	After one year 17,311,719,000
Total 23,722,525,000	Total 21,982,005,000	Total 23,089,637,000
(3) Amount of lease payments, depreciation expense and interest expense	(3) Amount of lease payments, depreciation expense and interest expense	(3) Amount of lease payments, depreciation expense and interest expense
Lease payments 3,452,747,000	Lease payments 3,173,021,000	Lease payments 6,569,358,000
Depreciation expense 3,152,562,000	Depreciation expense 2,896,195,000	Depreciation expense 5,959,692,000
Interest expense 423,232,000	Interest expense 359,123,000	Interest expense 772,799,000
(4) Accounting method for amount equivalent to depreciation expense Straight-line depreciation using the lease term as the depreciable life and zero residual value.	(4) Accounting method for amount equivalent to depreciation expense Same as at left	(4) Accounting method for amount equivalent to depreciation expense Same as at left
(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.	(5) Accounting method for amount equivalent to interest expense Same as at left	(5) Accounting method for amount equivalent to interest expense Same as at left
2. Operating leases Future lease payments	2. Operating leases Future lease payments	2. Operating leases Future lease payments
Within one year 1,793,354,000	Within one year 1,922,375,000	Within one year 1,664,503,000
After one year 4,063,870,000	After one year 4,887,972,000	After one year 3,837,936,000
Total 5,857,224,000	Total 6,810,348,000	Total 5,502,439,000

Annex　A

	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　B

	Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance (¥'000)
Rental assets	37,404,823	15,152,877	22,251,945
Other assets	317,756	183,501	134,255
Total	37,722,579	15,336,379	22,386,200

Annex　C

	Acquisition price (¥'000)	Accumulated depreciation (¥'000)	Outstanding balance (¥'000)
Rental assets	37,626,285	14,078,793	23,547,492
Other assets	350,675	196,156	154,519
Total	37,976,961	14,274,949	23,702,011

VII Notes Related to Negotiable Securities

Prior interim consolidated accounting period (As of April 30, 2005)

Negotiable securities

1. Other negotiable securities with market prices

(Unit: Yen thousand)

	Prior interim consolidated accounting period (As of April 30, 2005)		
	Acquisition price	Balance on the interim consolidated balance sheet	Difference
(1) Stock	1,271,237	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)

	Prior interim consolidated accounting period (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

Interim consolidated accounting period under review (As of April 30, 2006)

Negotiable securities

1. Other negotiable securities with market prices

(Unit: Yen thousand)

	Interim consolidated accounting period under review (As of April 30, 2006)		
	Acquisition price	Balance on the interim consolidated balance sheet	Difference
(1) Stock	1,618,914	6,101,853	4,482,939
(2) Bonds			
a. Government bonds	—	—	—
b. Corporate bonds	—	—	—
c. Other	—	—	—
(3) Other negotiable securities	123,000	127,610	4,610
Subtotal	1,741,914	6,229,463	4,487,549

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, 2006)
	Amount shown on the interim consolidated balance sheet
Other negotiable securities	
Unlisted stocks (excluding over-the-counter stocks)	229,400
Other	87,644

Prior consolidated accounting fiscal year (As of October 31, 2005)

Negotiable securities

1. Other negotiable securities with market prices

(Unit: Yen thousand)

	Prior consolidated accounting fiscal year (As of October 31, 2005)		
	Acquisition price	Balance on the interim consolidated balance sheet	Difference
(1) Stock	1,643,538	4,431,987	2,788,449
(2) Bonds			
a. Government bonds	—	—	—
b. Corporate bonds	—	—	—
c. Other	—	—	—
(3) Other negotiable securities	998,478	970,084	- 28,394
Subtotal	2,642,016	5,402,071	2,760,055

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, 2005)
	Amount shown on the consolidated balance sheet
Other negotiable securities	
Unlisted stocks (excluding over-the-counter stocks)	239,050
Other	106,935

VIII Notes Related to Derivative Transactions

Prior consolidated fiscal year interim period (As of April 30, 2005)

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

Consolidated fiscal year interim period under review (As of April 30, 2006)

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

Prior consolidated fiscal year (As of October 31, 2005)

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, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
Net assets per share	¥1,108.32	¥1,181.45	¥1,120.76
Interim period (fiscal year) net income per share	¥15.53	¥35.12	¥11.57
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.	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, 2004 to April 30, 2005)	Current Consolidated Fiscal Year Interim Period (From November 1, 2005 to April 30, 2006)	Prior Consolidated Fiscal Year (From November 1, 2004 to October 31, 2005)
Interim period (fiscal year) net income (¥ '000)	463,684	1,048,470	352,623
Amount not attributed to common stock shareholders (¥ '000)	—	—	7,300
(Amount for directors and auditors' bonuses based on appropriation of earnings)	(—)	(—)	(7,300)
Interim period (fiscal year) net income related to common stock (¥ '000)	463,684	1,048,470	345,323
Average number of outstanding shares during the period	29,857,851	29,849,847	29,856,334