



Fiscal Year ending October 31, 2006

Summary of Third Quarter Operating Results (Consolidated)

September 1, 2006

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
 Inquiries **Nobuhito Utatsu**
 Director & Corporate Officer, Division Manager, Accounting Division
 TEL 81-11-209-1600

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? Yes

Beginning from the current consolidated fiscal year, the Company will apply the Accounting Standard for Impairment of Fixed Assets.

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, 2006 (November 1, 2005 - July 31, 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	%
Fiscal Year Ending October 31, 2006: Third Quarter	50,226	(8.3)	3,054	(-)	2,934	(-)
Fiscal Year Ending October 31, 2005: Third Quarter	46,374	(4.3)	170	(-74.4)	14	(-97.5)
(Reference) Fiscal Year Ending 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
Fiscal Year Ending October 31, 2006: Third Quarter	1,088	(-)	36.48	-
Fiscal Year Ending October 31, 2005: Third Quarter	-349	(-)	-11.71	-
(Reference) Fiscal Year Ending October 31, 2005	352		11.57	-

(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, 2006

(Qualitative information concerning consolidated operating results)

< Management Environment > (From November 1, 2005 to July 31, 2006)

Despite the effects from negative factors such as high crude oil prices and the risk of an increase in interest rates, capital investment in sectors such as manufacturing remained on an upward trend, and until the third quarter, Japan's economy continued to grow at a steady pace.

Real estate-related activity also remained strong. Nevertheless, for income brackets and regions comprised of so-called economically weak individuals and areas, there was no change as conditions unrelieved by a sense of economic recovery continued. This was reflected in factors such as a slowdown in personal consumption beginning from June, which until then had been one sign of the economic recovery.

Third Quarter Operating Results

Even though this period included the season when public works are slow, in Kanamoto's main business in the construction-related equipment rental industry construction equipment rentals remained strong, as a result of the Company's aggressive business development efforts to secure private sector demand. Equipment sales in this business also were robust, as both domestic and overseas sales of used equipment exceeded the same period of the prior consolidated accounting fiscal year.

In the Company's steel products sales business, orders received for private capital investment, including new construction of stores and new manufacturing plants in the Sapporo metropolitan area, were comparatively higher. Kanamoto's information products-related business also achieved stronger performance, including sales of minicomputers and other products. Operating results in both businesses improved and exceeded the same period in the prior consolidated accounting fiscal year.

From an earnings perspective, measures implemented over the past several years, including programs to improve rental equipment asset operating efficiency, maintain unit prices and reduce the depreciation and amortization burden, are now providing tangible benefits. Operating income, ordinary income and net incomes were all substantially higher than in the same period one year ago.

As a result, consolidated revenues for the third quarter of the fiscal year ending October 31, 2006 increased 8.3% from the same period of the prior consolidated accounting fiscal year to ¥50,226 million. Operating income increased 1694.6% year-on-year to ¥3,054 million, ordinary income soared 20094.5% over the same period one year earlier to ¥2,934 million, and net income rose 411.4% over the same period of the prior consolidated accounting fiscal year to ¥1,088 million. Based on the Accounting Standard for Impairment of Fixed Assets, which Kanamoto will apply from the current consolidated accounting fiscal year, the Company booked ¥594 million as an impairment loss in the third quarter under review.

A summary of operating results for each of the Company's businesses, and business development issues deserving special mention, are described below.

< Summary of operating results by business >

[Business related to the Construction Equipment Rental Division]

As stated above, the third quarter of the Company's fiscal year overlaps the slow season for public works construction. As the result of aggressively pursuing sales efforts in the private construction sector, however, Kanamoto achieved an upturn in revenues throughout Japan, and positive growth compared with the same period of the prior consolidated accounting fiscal year.

Looking at construction equipment rental revenues in the third quarter by region, there was no change in the Hokkaido Region compared with the same period of the prior consolidated accounting fiscal year, while in the Honshu Region, revenues achieved nearly double-digit growth. Cumulative revenues since the first quarter also showed similar growth rates when compared with the same period one year earlier. Disaster recovery work was also a factor behind this improvement, including Kagoshima Prefecture, where recovery work continues following damage from heavy rains, and Niigata Prefecture, which is recovering from the

Niigata-Chuetsu Earthquake.

Looking at other regions, in the Hokkaido Region rentals of equipment such as safety products and temporary scaffolding were strong. Rentals of temporary scaffolding in particular rose substantially, increasing 29.5% year-on-year.

Equipment sales by this division were higher both domestically and internationally. This reflected factors such as steady sales of used equipment in overseas markets, as well as domestic sales, which were boosted by a sales campaign.

As a result, cumulative revenues since the beginning of the fiscal year for Kanamoto's construction-related business rose 8.4% from the same period of the prior consolidated accounting fiscal year.

[Business related to the Steel Sales Division]

Third quarter revenues increased 7.3% from the same period of the prior consolidated accounting fiscal year. Orders received for capital investment by private sector firms increased, including condominium construction in the Sapporo metropolitan area and construction of new manufacturing plants.

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

Computer rentals through the third quarter declined 3.0% year-on-year. Sales of information products, however, recovered and jumped 64.4% compared to the same period of the prior consolidated accounting fiscal year. As a result, revenues for this division increased 3.2% year-on-year.

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

During the third quarter under review, in May Kanamoto opened its new Sanjo Branch in Sanjo, Niigata Prefecture and the Shimukappu Sub-branch in Yufutsu-gun, Hokkaido Prefecture. The Company did not close any branches during the quarter.

During the fourth quarter, the Company plans to establish two new offices, tentatively named the Omiya Branch (Nishi-ku, Saitama) and the Chiba Shinko Branch (Mihama-ku, Chiba).

Furthermore, as already reported on August 31, the Company established Shanghai Jinyuan Rental Co., Ltd. in Shanghai City, China through a joint venture. This firm represents Kanamoto's first overseas business venture.

(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, 2006: Third Quarter	83,639	34,676	41.5	1,162.02
Fiscal Year Ending October 31, 2005: Third Quarter	86,152	32,319	37.5	1,082.53
(Reference) Fiscal Year Ending October 31, 2005	81,977	33,465	40.8	1,120.76

[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, 2006: Third Quarter	6,885	-151	-3,368	17,473
Fiscal Year Ending October 31, 2005: Third Quarter	11,609	-440	-2,745	20,158
(Reference) Fiscal Year Ending October 31, 2005	10,219	-11	-7,833	14,108

(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 increased ¥1,662 million to ¥83,639 million. This change was mainly from increases in cash and deposits, notes payable, trade, consolidated retained earnings and valuation difference on other investment securities.

Net assets increased by ¥1,210 million compared with the end of the prior consolidated accounting fiscal year to ¥34,676 million yen. The shareholders' equity ratio was 41.5%.

(Cash flow from operating activities)

Cash flow from operating activities was ¥6,885 million yen, a decrease of ¥4,724 million from the same period of the prior consolidated accounting fiscal year. Although net income before taxes and adjustments increased, this change mainly reflected the fact that during the current consolidated accounting fiscal year, the decline in the amount of accounts receivable, trade accompanying the liquidation of bill receivables scheme introduced in the prior consolidated accounting fiscal year reached a stable level.

(Cash flow from investing activities)

Cash flow used in investing activities decreased ¥288 million from the same period of the prior consolidated accounting fiscal year to ¥151 million. This mainly reflected an increase in funds used for the purchase of tangible fixed assets, a decrease in funds used for the purchase of investment securities and an increase in funds provided from sale of investment securities.

(Cash flow from financing activities)

Cash flow used in financing activities was ¥3,368 million, an increase of ¥623 million from the same period of the prior consolidated accounting 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, and a decrease in short-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 ¥3,364 million from the end of the prior consolidated accounting fiscal year to ¥17,473 million.

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 2006

(November 1, 2005 - October 31, 2006)

	Projected Revenues	Projected Operating Income	Projected Ordinary Income	Projected Net Income
F u l l - y e a r	Millions of yen 66,050	Millions of yen 3,630	Millions of yen 3,420	Millions of yen 1,260

(Reference) Projected net income per share (full-year) ¥42.21

(Qualitative information concerning projected operating results)

Operating results through the third quarter have improved roughly in line with the revised plan Kanamoto released on May 25. However, although public works will face construction delays from August because of unseasonable summer heat and typhoons, and small local public work projects also are expected to be delayed, the Company has not revised the projected consolidated accounting fiscal year operating results it released previously (also included in the Interim Financial Statements Bulletin released on June 9, 2006). 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, 2006)	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2005)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount	Percent	Amount
(Assets)						
Current Assets						
1. Cash and deposits		17,476,247	20,166,799	-2,690,552	-13.3	14,111,882
2. Notes and accounts receivable, trade		13,056,302	11,331,353	1,724,948	15.2	14,329,090
3. Inventory		931,451	781,963	149,487	19.1	538,951
4. Construction equipment		1,231,715	1,587,776	-356,061	-22.4	1,469,376
5. Deferred tax assets		197,030	222,939	-25,908	-11.6	318,999
6. Other		695,956	1,074,291	-378,335	-35.2	873,516
Allowance for doubtful accounts		-534,632	-650,006	115,374	-17.7	-923,256
Total Current Assets		33,054,070	34,515,117	-1,461,047	-4.2	30,718,560
Fixed Assets						
1. Tangible Fixed Assets						
(1) Rental equipment		9,191,749	10,247,862	-1,056,112	-10.3	9,811,304
(2) Buildings and structures		6,162,181	6,605,139	-442,958	-6.7	6,501,912
(3) Land		25,888,335	26,205,408	-317,072	-1.2	26,140,976
(4) Other		1,486,833	1,451,143	35,690	2.5	1,084,721
Total Tangible Fixed Assets		42,729,100	44,509,554	-1,780,453	-4.0	43,538,915
Intangible Fixed Assets						
(1) Consolidation adjustment account		357,245	461,806	-104,560	-22.6	435,655
(2) Other		220,644	262,825	-42,181	-16.0	252,765
Total Intangible Fixed Assets		577,890	724,632	-146,741	-20.3	688,421
Investments and Other Assets						
(1) Investment securities		6,090,202	4,941,219	1,148,983	23.3	5,753,056
(2) Deferred tax assets		-	506,587	-506,587	-100.0	302,238
(3) Other		2,020,692	2,178,856	-158,163	-7.3	1,754,473
Allowance for doubtful accounts		-832,213	-1,223,694	391,481	-32.0	-778,148
Total Investments and Other Assets		7,278,681	6,402,968	875,713	13.7	7,031,620
Total Fixed Assets		50,585,673	51,637,154	-1,051,481	-2.0	51,258,957
Total Assets		83,639,743	86,152,272	-2,512,528	-2.9	81,977,517

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount	Percent	Amount
(Liabilities)						
Current Liabilities						
1.	Notes and accounts payable, trade	11,718,622	11,779,663	-61,040	-0.5	10,837,618
2.	Short-term bank loans	475,000	3,558,376	-3,083,376	-86.7	577,364
3.	Long-term bank loans due within one year	10,583,996	10,818,496	-234,500	-2.2	10,718,496
4.	Corporate taxes payable	726,130	142,574	583,556	409.3	555,570
5.	Accrued bonuses to employees	214,603	201,137	13,466	6.7	515,796
6.	Accrued bonuses to directors and auditors	4,125	-	4,125	-	-
7.	Accounts payable, other	2,297,230	3,142,784	-845,554	-26.9	2,464,772
8.	Other	1,357,958	641,505	716,453	111.7	467,946
Total Current Liabilities		27,377,666	30,284,537	-2,906,871	-9.6	26,137,564
Long-term Liabilities						
1.	Long-term bank loans	17,830,485	19,904,981	-2,074,496	-10.4	18,643,607
2.	Accrued employees retirement benefits	1,650,433	1,425,908	224,525	15.7	1,525,993
3.	Retirement allowances to directors and	125,013	125,254	-241	-0.2	110,473
4.	Long-term accrued expenses	1,751,357	1,964,226	-212,869	-10.8	1,968,265
5.	Other	137,053	62,190	74,863	120.4	55,003
Total Long-term Liabilities		21,494,342	23,482,560	-1,988,218	-8.5	22,303,342
Total Liabilities		48,872,008	53,767,098	-4,895,089	-9.1	48,440,907
(Minority Interests)						
	Minority Interests	91,354	65,732	25,622	39.0	71,135
(Shareholders' Equity)						
	Common stock	8,596,737	8,596,737	-	-	8,596,737
	Additional paid-in capital	9,720,343	9,720,343	-	-	9,720,343
	Consolidated retained earnings	14,235,858	12,989,248	1,246,609	9.6	13,691,585
	Valuation difference on other investment	2,320,478	1,198,040	1,122,438	93.7	1,643,403
	Treasury stock	-197,037	-184,927	-12,109	6.5	-186,594
Total Shareholders' Equity		34,676,380	32,319,441	2,356,938	7.3	33,465,475
Total Liabilities, Minority Interests and Shareholders' Equity		83,639,743	86,152,272	-2,512,528	-2.9	81,977,517

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Fiscal Year Ending October 31, 2006

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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, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount	Percent	Amount
Revenues		50,226,123	46,374,018	3,852,104	8.3	63,975,212
Cost of revenues from operations		36,699,903	36,019,255	680,647	1.9	48,735,074
Gross profit		13,526,219	10,354,762	3,171,457	30.6	15,240,137
Selling, general and administrative		10,471,336	10,184,534	286,801	2.8	13,835,766
Operating income		3,054,883	170,227	2,884,655	-	1,404,371
Non-operating revenues						
1. Interest revenue		451	3,472	-3,021	-87.0	3,756
2. Dividend income		38,669	47,026	-8,356	-17.8	57,149
3. Gain on sale of investment securities		19,862	28,044	-8,181	-29.2	363,963
4. Rents received		65,741	68,194	-2,452	-3.6	94,173
5. Other		124,328	144,263	-19,934	-13.8	197,506
Total non-operating revenues		249,053	291,001	-41,947	-14.4	716,548
Non-operating expenses						
1. Interest expense		262,756	268,393	-5,636	-2.1	353,256
2. Others		106,514	178,304	-71,789	-40.3	217,449
Total non-operating expenses		369,271	446,697	-77,425	-17.3	570,705
Ordinary income		2,934,666	14,532	2,920,134	-	1,550,213
Extraordinary profits						
1. Gain on sale or retirement of fixed assets		884	5,238	-4,354	-83.1	57,930
2. Gain on reversal of allowance for doubtful accounts		12,310	90,422	-78,112	-86.4	24,174
3. Other		24,977	12,181	12,795	105.0	38,920
Total extraordinary profits		38,172	107,843	-69,671	-64.6	121,025
Extraordinary losses						
1. Loss on sale or retirement of fixed assets		23,766	53,957	-30,191	-56.0	147,388
2. Impairment loss		594,568	-	594,568	-	-
3. Transfer to allowance for doubtful accounts at affiliates		-	192,465	-192,465	-100.0	255,724
4. Other		27,170	41,397	-14,226	-34.4	142,271
Total extraordinary losses		645,504	287,820	357,684	124.3	545,383
Current quarter (fiscal year) income (loss) before taxes and adjustments		2,327,333	-165,444	2,492,778	-	1,125,855
Corporate, local and business taxes		1,146,838	83,384	1,063,453	-	858,422
Adjustment for corporate and other taxes		71,403	94,398	-22,994	-24.4	-97,079
Minority interest in income or loss		20,219	6,486	13,732	211.7	11,889
Current quarter (fiscal year) net income (loss)		1,088,872	-349,714	1,438,586	-	352,623

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, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount
I Cash flow from operating activities				
Current quarter (fiscal year) income (loss) before taxes and adjustments		2,327,333	-165,444	1,125,855
Depreciation and amortization expense		3,508,240	3,808,178	5,211,105
Impairment loss		594,568	-	-
Amortization of consolidation adjustment account		78,409	78,760	106,781
Gain on sale or retirement of fixed assets		-884	-5,238	-57,930
Loss on sale or retirement of fixed assets		23,766	53,957	147,388
Installment purchases of assets for small-value rentals		45,923	50,127	69,455
Reclassification of cost of sales associated with disposal of construction equipment		6,162	6,110	7,442
Reclassification of cost of sales associated with disposal of rental assets		475,562	775,411	564,032
Expenditures for acquisition of rental assets		-1,328,780	-2,177,107	-2,465,393
Valuation loss on investment securities		-	372	84,961
Gain on sale of investment securities		-19,862	-28,044	-363,963
Increase (decrease) in allowance for doubtful accounts		-334,559	-517,963	-690,259
Increase (decrease) in accrued bonuses to employees		-301,192	-279,459	35,198
Increase in accrued bonuses to directors and auditors		4,125	-	-
Increase (decrease) in accrued employees retirement benefits		124,439	197,078	297,163
Increase (decrease) in retirement allowances to directors and auditors		14,539	28,972	14,191
Interest revenue and dividend income		-39,121	-50,499	-60,905
Interest expense on installment purchases of rental assets		33,636	52,223	68,120
Interest expense		262,756	268,393	353,256
(Increase) decrease in accounts receivable, trade		1,272,788	12,149,195	9,151,458
(Increase) decrease in inventory assets		-392,500	-78,903	164,108
Increase (decrease) in accounts payable, trade		881,004	-1,625,939	-2,567,984
Increase (decrease) in accounts payable, other		76,525	144,253	-195,552
Directors and auditors' bonuses paid		-7,300	-7,300	-7,300
Other		814,789	-489,937	256,190
Subtotal		8,120,373	12,187,197	11,247,422
Interest and dividends received		39,121	50,499	60,905
Interest expense		-298,130	-318,283	-417,194
Payment of corporate and other taxes		-976,278	-309,624	-671,665
Increase (decrease) in accounts payable, trade		6,885,085	11,609,789	10,219,467

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(Unit: Thousands of yen)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount
II Cash flow from investing activities				
Funds used for investments in term deposits		-	-	5,000
Funds used for the purchase of tangible fixed assets		-949,875	-534,146	-484,985
Funds provided from the sale of tangible fixed assets		30,525	132,867	314,122
Funds used for the purchase of intangible fixed assets		-14,693	-44,770	-50,730
Funds used for the purchase of investment securities		-409,241	-670,709	-1,188,707
Funds provided from sale of investment securities		1,241,526	672,827	1,386,291
Funds used for purchase of investments		-210	-	-
Funds provided from the sale of subsidiary company stock		-	2,902	2,902
Funds used for the purchase of non-consolidated subsidiary stock		-50,025	-	-
Other		60	888	4,741
Cash flow from investing activities		-151,933	-440,140	-11,364
Cash flow from financing activities				
Increase (decrease) in short-term bank loans		-102,364	2,881,736	-99,275
Funds provided by long-term bank loans		7,600,000	6,400,000	7,900,000
Funds used to repay long-term bank loans		-8,547,622	-8,564,122	-11,425,496
Funds used for repayment of installment obligations		-1,771,057	-2,893,020	-3,637,197
Funds used for the purchase of treasury stock		-10,442	-2,312	-4,118
Payment of dividends to parent company		-537,300	-567,305	-567,305
Cash flow from financing activities		-3,368,787	-2,745,023	-7,833,393
Increase (decrease) in cash and equivalents		3,364,365	8,424,626	2,374,708
Balance of cash and equivalents at beginning of period		14,108,863	11,734,154	11,734,154
Balance of cash and equivalents at end of the period		17,473,228	20,158,780	14,108,863

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4. Business Segment Information

[Segment information by type of business]

Third quarter (From Nov 1, 2005 to July 31, 2006)

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues	45,229,634	4,664,264	332,223	50,226,123	-	50,226,123
Operating expenses	42,370,639	4,635,946	303,858	47,310,444	-139,205	47,171,239
Operating income	2,858,995	28,317	28,365	2,915,678	139,205	3,054,883

Third quarter of the prior consolidated accounting fiscal year

(From Nov 1, 2004 to July 31, 2005)

(Unit: Thousands of yen)

	Construction equipment	Steel sales business	Information products	Total	Eliminations or entire	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

[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 Consolidated Accounting Fiscal Year Ending October 31, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount	Percent	Amount
(Assets)						
Current Assets						
1. Cash and deposits		16,529,713	18,959,754	-2,430,041	-12.8	13,230,849
2. Notes receivable, trade		2,019,627	1,975,570	44,056	2.2	2,583,873
3. Accounts receivable, trade		9,665,617	8,202,178	1,463,438	17.8	10,665,107
4. Inventory		583,435	539,782	43,653	8.1	311,947
5. Construction equipment		1,014,695	1,301,876	-287,180	-22.1	1,207,108
6. Deferred tax assets		184,607	197,621	-13,014	-6.6	367,932
7. Other		611,270	1,463,223	-851,952	-58.2	1,299,485
Allowance for doubtful accounts		-456,882	-549,346	92,464	-16.8	-1,001,255
Total Current Assets		30,152,085	32,090,660	-1,938,574	-6.0	28,665,048
Fixed Assets						
1. Tangible Fixed Assets						
(1) Rental equipment		8,893,925	9,844,436	-950,511	-9.7	9,453,886
(2) Building		5,106,472	5,440,032	-333,560	-6.1	5,344,822
(3) Structures		812,581	903,681	-91,099	-10.1	903,297
(4) Land		25,616,441	25,933,514	-317,072	-1.2	25,869,082
(5) Other		1,446,314	1,412,296	34,018	2.4	1,051,658
Total Tangible Fixed Assets		41,875,735	43,533,961	-1,658,225	-3.8	42,622,746
2. Intangible Fixed Assets						
Total Intangible Fixed Assets		160,526	195,097	-34,571	-17.7	187,284
3. Investments and Other Assets						
(1) Investment securities		5,979,954	4,818,752	1,161,202	24.1	5,684,987
(2) Stock of affiliated companies		1,029,332	1,034,307	-4,975	-0.5	979,307
(3) Deferred tax assets		134,096	600,860	-466,763	-77.7	479,224
(4) Other		2,010,602	1,517,556	493,046	32.5	1,221,113
Allowance for doubtful accounts		-557,720	-638,224	80,504	-12.6	-321,855
Reserve for investment losses		-480,173	-280,000	-200,173	71.5	-480,173
Total investments and other assets		8,116,092	7,053,252	1,062,840	15.1	7,562,603
Total Fixed Assets		50,152,354	50,782,311	-629,957	-1.2	50,372,634
Total Assets		80,304,439	82,872,971	-2,568,532	-3.1	79,037,683

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount	Percent	Amount
(Liabilities)						
Current Liabilities						
1.	Notes payable, trade	7,924,888	8,309,802	-384,914	-4.6	7,214,389
2.	Accounts payable, trade	2,162,168	1,917,873	244,294	12.7	2,425,623
3.	Short-term bank loans	-	3,000,000	-3,000,000	-100.0	-
4.	Long-term bank loans due within one year	10,435,000	10,650,000	-215,000	-2.0	10,555,000
5.	Accounts payable, other	2,189,199	3,049,042	-859,842	-28.2	2,389,330
6.	Corporate taxes payable	639,978	120,463	519,514	431.3	530,934
7.	Accrued bonuses to employees	145,532	147,792	-2,260	-1.5	448,076
8.	Accrued bonuses to directors and auditors	4,125	-	4,125	-	-
9.	Other	1,450,114	714,985	735,128	102.8	518,770
	Total Current Liabilities	24,951,006	27,909,960	-2,958,953	-10.6	24,082,124
Long-term Liabilities						
1.	Long-term bank loans	16,885,000	18,800,000	-1,915,000	-10.2	17,590,000
2.	Long-term accrued expenses	1,661,177	1,862,211	-201,034	-10.8	1,876,971
3.	Accrued employees retirement benefits	1,625,023	1,399,999	225,024	16.1	1,506,210
4.	Retirement allowances to directors and	87,476	95,352	-7,876	-8.3	79,121
	Total Long-term Liabilities	20,258,676	22,157,563	-1,898,887	-8.6	21,052,303
	Total Liabilities	45,209,682	50,067,523	-4,857,841	-9.7	45,134,428
(Shareholders' Equity)						
Common stock						
	Common stock	8,596,737	8,596,737	-	-	8,596,737
Capital surplus						
Additional paid-in capital						
	Additional paid-in capital	9,720,343	9,720,343	-	-	9,720,343
Total capital surplus						
	Total capital surplus	9,720,343	9,720,343	-	-	9,720,343
Earned surplus						
Legal earned surplus						
	Legal earned surplus	1,375,287	1,375,287	-	-	1,375,287
Voluntary reserves						
Reserve for advanced depreciation of fixed assets						
	Reserve for advanced depreciation of fixed assets	19,601	-	19,601	-	-
General reserve						
	General reserve	11,831,684	11,831,684	-	-	11,831,684
Unappropriated retained earnings						
	Unappropriated retained earnings	1,431,796	268,296	1,163,500	433.7	928,192
	Total earned surplus	14,658,370	13,475,268	1,183,102	8.8	14,135,164
Valuation difference on other investment						
	Valuation difference on other investment	2,316,342	1,198,026	1,118,315	93.3	1,637,603
Treasury stock						
	Treasury stock	-197,037	-184,927	-12,109	6.5	-186,594
	Total Shareholders' Equity	35,094,756	32,805,447	2,289,308	7.0	33,903,254
	Total Liabilities and Shareholders' Equity	80,304,439	82,872,971	-2,568,532	-3.1	79,037,683

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2006

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6. (Summary) Third Quarter Company Statements of Income

(Unit: Thousands of yen, %)

Item	Period	Current Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2006)	Prior FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2005)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2005
		Amount	Amount	Amount	Percent	Amount
Operating revenues		44,745,366	40,975,456	3,769,910	9.2	57,202,641
Cost of revenues		33,099,255	32,056,353	1,042,901	3.3	43,789,520
Gross profit		11,646,111	8,919,103	2,727,008	30.6	13,413,121
Selling, general and administrative expenses		8,935,367	8,726,448	208,919	2.4	11,886,610
Operating income		2,710,744	192,654	2,518,089	-	1,526,510
Non-operating revenues						
1. Interest and dividends		43,668	54,938	-11,269	-20.5	66,775
2. Gain on sale of investment securities		19,862	27,890	-8,027	-28.8	359,093
3. Rents received		185,291	179,910	5,381	3.0	244,052
4. Other		187,555	178,213	9,342	5.2	254,021
Total non-operating revenues		436,378	440,952	-4,574	-1.0	923,943
Non-operating expenses						
1. Interest expense		240,622	237,877	2,744	1.2	317,034
2. Other		98,875	128,830	-29,954	-23.3	172,555
Total non-operating expenses		339,498	366,708	-27,209	-7.4	489,590
Ordinary income		2,807,624	266,899	2,540,725	951.9	1,960,863
Extraordinary profits						
1. Gain on disposal of fixed assets		884	4,742	-3,857	-81.3	57,433
2. Other		17,287	95,497	-78,209	-81.9	12,014
Total extraordinary profits		18,172	100,239	-82,067	-81.9	69,447
Extraordinary losses						
1. Loss on sale or disposal of fixed assets		22,417	42,863	-20,445	-47.7	120,158
2. Impairment loss		594,568	-	594,568	-	-
3. Valuation loss on investment securities		-	-	-	-	29,589
4. Valuation loss on affiliated company stock		-	-	-	-	55,000
5. Transfer to reserve for investment losses		-	-	-	-	200,173
6. Transfer to allowance for doubtful accounts at affiliates		-	192,465	-192,465	-100.0	407,149
7. Other		11,885	24,358	-12,472	-51.2	25,275
Total extraordinary losses		628,870	259,687	369,183	142.2	837,348
Income before taxes and adjustments		2,196,925	107,451	2,089,474	-	1,192,962
Corporate, local and business taxes		1,060,751	61,322	999,429	-	833,579
Adjustment for corporate and other taxes		68,368	96,808	-28,439	-29.4	-249,835
Current quarter (fiscal year) net income (loss)		1,067,805	-50,678	1,118,484	-	609,217
Profit carry-forward from prior period		632,613	587,686	44,927	7.6	587,686
Cash dividends		268,622	268,711	-88	-0.0	268,711
Unappropriated retained earnings		1,431,796	268,296	1,163,500	433.7	928,192

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Summary of Third Quarter Operating Results (Consolidated),
Fiscal Year Ending October 31, 2006

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