



Fiscal Year ending October 31, 2008

Summary of First Quarter Operating Results (Consolidated)

March 7, 2008

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. Operating Results for the First Quarter of the Fiscal Year Ending October 31, 2008 (November 1, 2007 - January 31, 2008)

(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, 2008: First Quarter	18,375	(-2.5)	1,016	(-53.2)	974	(-53.9)
Fiscal Year Ended October 31, 2007: First Quarter	18,856	(7.7)	2,173	(68.4)	2,115	(70.9)
Fiscal Year Ended October 31, 2007	68,626	(0.9)	4,236	(4.1)	4,416	(16.6)

	Net Income		Net Income per Share of Common	Net Income per Share on a Fully Diluted
	Millions of yen	%	Yen	Yen
Fiscal Year Ending October 31, 2008: First Quarter	499	(-69.2)	15. 20	—
Fiscal Year Ended October 31, 2007: First Quarter	1,618	(410.0)	49. 26	—
Fiscal Year Ended October 31, 2007	3,035	(74.2)	92. 40	—

(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

(2) Change in Consolidated Financial Position

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

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year Ending October 31, 2008: First Quarter	88,950	39,461	44.1	1,193.12
Fiscal Year Ended October 31, 2007: First Quarter	89,613	39,829	44.3	1,208.57
Fiscal Year Ended October 31, 2007	85,155	39,973	46.9	1,216.98

(3) 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, 2008: First Quarter	572	-410	-129	17,989
Fiscal Year Ended October 31, 2007: First Quarter	2,018	681	-548	20,548
Fiscal Year Ended October 31, 2007	4,479	-1,427	-4,237	17,213

2. Dividends

	Dividend per Share
	Yen
Fiscal Year Ending October 31, 2008: First Quarter	—
Fiscal Year Ending October 31, 2007: First Quarter	—

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 2008

(November 1, 2007 - October 31, 2008)

(Percentages show the change from the prior year)

	Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	37,500	3.5	3,400	-1.1	3,300	-3.6	1,800	-24.4	54.80
Full year	71,900	4.8	4,600	8.6	4,400	-0.4	2,300	-24.2	70.02

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.2

4. Other

(1) Changes to material subsidiaries during the period (transfer of specified subsidiaries in conjunction with revision to scope of consolidation)? Yes

Newly consolidated Kyushu Kensan Co., Ltd.

Kensan Fukuoka Co., Ltd.

Kensan Techno Co., Ltd.

(2) Has the Company adopted simplified methods for accounting treatment? Yes

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

(Note) For details see "4. Other matters" on Page 7 (Qualitative information concerning the financial statements).

5. Summary of Non-consolidated Operating Results (Reference)

(November 1, 2007 - January 31, 2008)

	Revenues		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ending October 31, 2008: First Quarter	15,643	(-7.3)	1,011	(-49.6)	993	(-50.8)
Fiscal Year Ended October 31, 2007: First Quarter	16,881	(8.3)	2,009	(83.5)	2,018	(79.8)
Fiscal Year Ended October 31, 2007	61,576	(1.4)	4,012	(8.0)	4,372	(16.9)

	Net Income		Net Income per Share of Common	Net Income per Share on a Fully Diluted
	Millions of yen	%	Yen	Yen
Fiscal Year Ending October 31, 2008: First Quarter	567	(-64.6)	17.28	—
Fiscal Year Ended October 31, 2007: First Quarter	1,602	(461.4)	48.77	—
Fiscal Year Ended October 31, 2007	3,431	(99.5)	104.44	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year Ending October 31, 2008: First Quarter	83,461	40,211	48.2	1,224.25
Fiscal Year Ended October 31, 2007: First Quarter	86,225	40,110	46.5	1,220.77
Fiscal Year Ended October 31, 2007	82,902	40,787	49.2	1,241.77

6. Projected Non-consolidated Operating Results for the Fiscal Year Ending October 2008

(November 1, 2007 - October 31, 2008)

(Percentages show the change from prior year)

	Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	32,100	-1.1	3,100	1.0	3,000	-6.1	1,600	-31.0	48.71
Full year	61,700	0.2	4,300	7.2	4,100	-6.2	2,200	-35.9	66.98

Note: Explanation concerning appropriate use of the projected operating results and other items to note

The projected operating results 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.

【Qualitative information and financial statements】

1. Qualitative information concerning consolidated operating results

< Management Environment >(From November 1, 2007 to January 31, 2008)

During the first quarter, export-related industries that had been growing at a steady pace began to slow in the wake of rising raw material costs sparked by higher crude oil prices, and appreciation of the yen. In other industries as well, corporate earnings came under pressure as firms were unable to pass on the cost of raw materials in product prices. At the same time, personal consumption, which individuals had been supporting by drawing on savings, declined as younger consumers turned away from high-priced consumer goods and families instituted household budget-saving measures, including restraints on purchasing, throwing into even sharper relief the difference between the majority of the general public and the wealthiest brackets. In regions struggling with severe fiscal conditions, the sense of stagnation was palpable.

In the construction-related industries that are Kanamoto's customers, bankruptcies among local construction companies and mid-sized developers were striking. Many of these business failures originated in delays in private sector new housing starts, including single-family dwellings and small and medium-sized condominiums, which were negatively affected by enforcement of the revised Building Standards Law that created a social problem widely ridiculed as a bureaucrat-led recession.

< First Quarter Consolidated Operating Results > (From November 1, 2007 to January 31, 2008)

[Business related to the Construction Equipment Rental Division]

In the construction-related activity that is Kanamoto's core business, the nationwide delay in construction works resulting from the revised Building Standards Law was quite marked. Although the market share of the Kanamoto Group in each region did not change compared with the same period of the previous consolidated fiscal year, operating results fell year-on-year, even in regions such as Hokkaido and Tohoku that had enjoyed strong results one year earlier. Nevertheless, in addition to the Kanto Region, operating results also improved year-on-year in the Kinki Chubu region with the exception of Hyogo Prefecture, a result that verifies demand is robust in Japan's three major metropolitan areas of Tokyo, Nagoya and Osaka, despite the severe environment.

By region, revenues in the Hokkaido Region fell 6.1% from the same period of the previous consolidated fiscal year, and dropped 12.6% in the Tohoku Region. Revenues in the Kanto & Shinetsu Region increased 2.2%, benefiting from large projects, such as expansion of the Tokyo International Airport (Haneda), which had been delayed. In the Kinki & Chubu Region, revenues were off 3.0%. On the other hand, revenues in Chugoku and in the Shikoku and Kyushu Region jumped 123.9% from one year earlier. By segment, rental revenues edged down 1.0%. Sales revenues decreased 5.7% year-on-year, despite strong revenues from both used equipment sales and domestic sales in line with the Company's initial plan. This reflected a delay in used equipment sales in the quarter before the first quarter one year earlier, which were subsequently booked in sales revenues for the first quarter of the previous consolidated fiscal year.

As a result, in the construction-related businesses of the entire Kanamoto Group, revenues decreased 1.9% from the same period of the previous consolidated fiscal year to ¥17,076 million, and operating income decreased 52.2% year-on-year to ¥1,023million.

[Business related to the Steel Sales Division]

Businesses related to the Steel Sales Division, which Kanamoto is developing in Hokkaido, were also affected by the delay in construction starts resulting from enforcement of the revised Building Standards Law. Revenues fell 13.5% year-on-year to ¥1,154 million, and the operating loss was ¥15 million.

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

In the Company's information and telecommunications-related division, PC rentals as well as used equipment sales were strong. Revenues rose 33.5% from the same period one year earlier to ¥143 million, and operating income increased 294.0% from the same period of the previous consolidated fiscal year to ¥18 million.

[Business development issues deserving special mention and status of branch office changes]

During the first quarter, Kanamoto opened its new Mikasa Branch in Mikasa City, Hokkaido and the Tobetsu Branch in Tobetsu-cho in Ishikari-gun, Hokkaido. The Company did not close any branches during the quarter. In addition, in the first quarter Kanamoto made Kyushu Kensan Co., Ltd. (President and Representative Director: Shinji Ota; Head Office: Fukuoka City), which is developing a rental business for foundation and other equipment, mainly in the vicinity of Fukuoka in northern Kyushu, and that company's subsidiaries Kensan Fukuoka Co., Ltd. and Kensan Techno Co., Ltd., new consolidated subsidiaries.

2. Qualitative information concerning consolidated financial position

(1) Assets, liabilities and net assets

Compared with the end of the prior consolidated accounting fiscal year, total assets at the end of the first quarter under review had increased by ¥3,794 million to ¥88,950 million. This primarily reflected an increase in cash and deposits and accounts receivable, trade, in conjunction with the addition of Kyushu Kensan Co., Ltd., Kensan Fukuoka Co., Ltd. and Kensan Techno Co., Ltd. as newly consolidated subsidiaries.

Net assets decreased by ¥511 million compared with the end of the previous consolidated fiscal year to ¥39,461 million. This was mainly a decrease in the valuation difference on other investment securities. As a result, the shareholders' equity ratio at the end of the first quarter was 44.1%.

(2) Consolidated Cash Flows

The balance of cash and cash equivalents at the end of the first quarter under review decreased ¥2,559 million from the same period of the previous consolidated fiscal year, to ¥17,989 million. Cash flows for the consolidated fiscal year under review are discussed below.

(Cash flow from operating activities)

Cash flow from operating activities was ¥572 million, a decrease of ¥1,446 million from the same period of the previous consolidated fiscal year. This was mainly the result of the decrease in income before taxes and adjustments.

(Cash flow from investing activities)

Cash flow used in investing activities was ¥410 million, compared with cash flow provided by investing activities of ¥681 million in the same period of the prior consolidated fiscal year. This mainly reflected a decrease in cash provided from the sale of tangible fixed assets.

(Cash flow from financing activities)

Cash flow used in financing activities was ¥129 million. This was ¥419 million less than in the same period of the prior consolidated fiscal year. This mainly reflected an increase in funds provided by long-term bank loans.

3. Qualitative information concerning projected consolidated operating results

Kanamoto has not made any changes at this time to its projected interim and full-year operating results. Although first quarter operating results were affected by construction delays caused by revision of the Building Standards Law and fell below the Company's initial plan, overall construction demand since the second half of January 2008 appears to be on a recovery trend. Improvement in the timing of construction starts also is expected from this spring, when the structural calculation software that was to be sold simultaneously with enforcement of the revised law is scheduled to be supplied.

These projected consolidated operating results were prepared using projections based on information

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.6

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.

4. Other matters

(1) Changes in material subsidiaries during the period under review (changes in specific subsidiaries in conjunction with a change in the scope of consolidation)

Kyushu Kensan Co., Ltd., Kensan Fukuoka Co., Ltd. and Kensan Techno Co., Ltd., which were treated as non-consolidated subsidiaries in the past, were included in the scope of consolidation when preparing the consolidated financial statements because the importance of these companies to Kanamoto's operations has increased.

(2) Adoption of the simplified methods for accounting treatment

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.

(3) Differences with the methods of recognition used in the accounting treatment for the most recent consolidated fiscal year

The Company had no material items to report.

1. (Summary) First Quarter Consolidated Balance Sheets

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
(Assets)						
I Current Assets						
1. Cash and deposits		20,548,969	13,332,982	-7,215,986	-35.1%	11,913,890
2. Notes receivable, trade		14,722,876	15,288,091	565,214	3.8%	14,239,136
3. Negotiable securities		—	4,850,000	4,850,000	—	5,300,000
4. Inventory		495,225	477,596	-17,629	-3.6%	533,600
5. Construction equipment		1,177,502	1,004,161	-173,341	-14.7%	1,010,645
6. Deferred tax assets		333,364	304,844	-28,519	-8.6%	360,573
7. Other		597,639	1,263,497	665,857	111.4%	457,321
Allowance for doubtful accounts		-527,744	-548,898	-21,153	4.0%	-488,905
Total current assets		37,347,833	35,972,275	-1,375,558	-3.7%	33,326,262
II Fixed assets						
1. Tangible fixed assets						
(1) Rental equipment assets		9,921,091	11,390,322	1,469,231	14.8%	9,523,031
(2) Buildings and structures		6,605,659	6,611,509	5,849	0.1%	6,671,521
Machinery, equipment, (3) vehicles and delivery equipment		743,101	744,328	1,226	0.2%	750,333
(4) Land		25,991,252	26,874,907	883,655	3.4%	26,268,316
(5) Construction in progress		228,536	128,114	-100,422	-43.9%	46,172
Other		247,919	248,072	152	0.1%	238,963
Total tangible fixed assets		43,737,561	45,997,254	2,259,692	5.2%	43,498,339
2. Intangible fixed assets						
(1) Goodwill		359,379	1,009,752	650,372	181.0%	275,797
(2) Other		137,693	135,470	-2,222	-1.6%	137,516
Total intangible fixed assets		497,072	1,145,222	648,150	130.4%	413,314

kanamoto

Summary of First Quarter Operating Results (Consolidated)
Fiscal Year Ending October 31, 2008

3. Investments and other assets					
(1) Investment securities	6,858,369	4,122,956	-2,735,413	-39.9%	6,610,180
(2) Other	1,889,829	2,554,471	664,642	35.2%	2,070,164
Allowance for doubtful accounts	-717,223	-842,144	-124,920	17.4%	-762,464
Total investments and other assets	8,030,975	5,835,283	-2,195,691	-27.3%	7,917,880
Total fixed assets	52,265,609	52,977,761	712,152	1.4%	51,829,534
Total Assets	89,613,442	88,950,037	-663,405	-0.7%	85,155,797

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
(Liabilities)						
I Current liabilities						
1. Notes and accounts payable, trade		12,762,257	12,957,361	195,103	1.5%	11,292,635
2. Short-term bank loans		535,000	372,822	-162,177	-30.3%	330,000
3. Long-term bank loans due within one year		10,082,356	9,037,396	-1,044,960	-10.4%	8,972,356
4. Current portion of bonds		—	40,000	40,000	—	—
5. Corporate taxes payable		1,350,718	420,875	-929,843	-68.8%	1,449,478
6. Accrued bonuses to employees		664,329	741,814	77,484	11.7%	552,926
7. Accounts payable, other		2,335,892	2,778,094	442,201	18.9%	2,346,872
8. Other		719,902	678,138	-41,764	-5.8%	642,568
Total current liabilities		28,450,457	27,026,502	-1,423,954	-5.0%	25,586,836
II Long-term liabilities						
1. Long-term bank loans		16,285,472	16,784,848	499,376	3.1%	15,718,705
2. Bonds		—	40,000	40,000	—	—
3. Accrued employees retirement benefits		1,726,803	956,266	-770,537	-44.6%	935,980
4. Retirement allowances to directors and auditors		131,784	140,253	8,468	6.4%	132,633
5. Long-term accrued expenses		2,689,868	4,021,772	1,331,903	49.5%	2,486,318
6. Other		499,358	518,416	19,057	3.8%	321,805
Total long-term liabilities		21,333,288	22,461,556	1,128,267	5.3%	19,595,442
Total Liabilities		49,783,745	49,488,058	-295,686	-0.6%	45,182,279

kanamoto

Summary of First Quarter Operating Results (Consolidated)
Fiscal Year Ending October 31, 2008

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
(Net Assets)						
I Owners' equity						
1. Paid-in capital		9,696,717	9,696,717	—	—	9,696,717
2. Capital surplus		10,960,869	10,960,869	—	—	10,960,869
3. Earned surplus		16,212,507	17,333,599	1,121,091	6.9%	17,333,642
4. Treasury stock		-8,577	-20,472	-11,895	138.7%	-19,784
Total Owners' Equity		36,861,517	37,970,713	1,109,196	3.0%	37,971,444
II Valuation and translation adjustments						
Valuation difference on other investment securities		2,847,934	1,217,920	-1,630,013	-57.2%	2,002,072
Total Valuation and Translation Adjustments		2,847,934	1,217,920	-1,630,013	-57.2%	2,002,072
III Minority interests		120,245	273,344	153,098	127.3%	—
Total Net Assets		39,829,697	39,461,978	-367,719	-0.9%	39,973,517
Total Liabilities and Net Assets		89,613,442	88,950,037	-663,405	-0.7%	85,155,797

2. (Summary) First Quarter Consolidated Statements of Income

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
I	Revenues	18,856,014	18,375,372	-480,642	-2.5%	68,626,913
II	Cost of revenues from operations	12,488,476	12,807,517	319,040	2.6%	49,490,405
	Gross profit	6,367,537	5,567,854	-799,682	-12.6%	19,136,507
III	Selling, general and administrative expenses	4,194,275	4,551,370	357,095	8.5%	14,899,972
	Operating income	2,173,262	1,016,484	-1,156,778	-53.2%	4,236,534
IV	Non-operating revenues					
	1. Interest revenue	561	10,760	10,198	—	44,782
	2. Dividend income	13,666	17,436	3,770	27.6%	51,715
	3. Gain on sale of investment securities	3,482	—	-3,482	-100.0%	287,528
	4. Insurance benefits	9,121	9,432	310	3.4%	38,877
	5. Rents received	21,952	19,702	-2,250	-10.2%	81,409
	6. Cash bonus received	—	266	266	—	105,737
	7. Other	29,696	34,408	4,712	15.9%	102,577
	Total non-operating revenues	78,481	92,007	13,525	17.2%	712,627
V	Non-operating expenses					
	1. Interest expense	107,108	80,694	-26,414	-24.7%	338,051
	2. Loss on sale of notes receivable	—	22,390	22,390	—	75,155
	3. Other	28,702	30,801	2,099	7.3%	119,684
	Total non-operating expenses	135,810	133,886	-1,924	-1.4%	532,891
	Ordinary income	2,115,933	974,605	-1,141,328	-53.9%	4,416,270
VI	Extraordinary profits					
	1. Gain on sale of fixed assets	920,700	16,261	-904,439	-98.2%	921,056
	2. Gain on reversal of allowance for doubtful accounts	20,634	19,654	-979	-4.7%	21,109
	3. Other	752	681	-71	-9.5%	858,670
	Total extraordinary profits	942,088	36,597	-905,490	-96.1%	1,800,836
VII	Extraordinary losses					
	1. Loss on sale or retirement of fixed assets	39,179	17,308	-21,871	-55.8%	68,231

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.11

2. Impairment loss	890	490	-400	-44.9%	890
3. Valuation loss on investment securities	3,516	5,873	2,357	67.0%	11,016
4. Other	19,508	21,688	2,180	11.2%	369,022
Total extraordinary losses	63,094	45,360	-17,733	-28.1%	449,161
Income before taxes and adjustments	2,994,927	965,842	-2,029,085	-67.8%	5,767,945
Corporate, local and business taxes	1,320,021	400,836	-919,184	-69.6%	2,286,833
Adjustment for corporate and other taxes	28,218	46,150	17,931	63.5%	410,200
Minority interest in income	28,085	19,611	-8,474	-30.2%	35,493
Net income	1,618,600	499,243	-1,119,357	-69.2%	3,035,418

3. (Summary) First Quarter Consolidated Statement of Changes in Net Assets

First quarter of the prior consolidated accounting fiscal year (November 1, 2006 - January 31, 2007)

(Thousands of yen)

	Owners' equity				
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity
Balance at the end of the prior consolidated fiscal year (October 31, 2006)	9,696,717	10,960,869	14,889,638	-6,303	35,540,922
Change of items during the first quarter under review					
Dividends from surplus			-295,732		-295,732
First quarter net income			1,618,600		1,618,600
Purchase of treasury stock				-2,273	-2,273
Net change of items other than owners' equity during the first quarter under review					—
Total change of items during the first quarter under review	—	—	1,322,868	-2,273	1,320,595
Balance at the end of the first quarter under review (January 31, 2007)	9,696,717	10,960,869	16,212,507	-8,577	36,861,517

	Valuation and translation adjustments		Minority interests	Total net assets
	Valuation difference on other investment securities	Total valuation and translation adjustments		
Balance at the end of the prior consolidated fiscal year (October 31, 2006)	2,418,684	2,418,684	92,159	38,051,766
Change of items during the first quarter under review				
Dividends from surplus				-295,732
First quarter net income				1,618,600
Purchase of treasury stock				-2,273
Net change of items other than owners' equity during the first quarter under review	429,249	429,249	28,085	457,335
Total change of items during the first quarter under review	429,249	429,249	28,085	1,777,930
Balance at the end of the first quarter under review (January 31, 2007)	2,847,934	2,847,934	120,245	39,829,697

First quarter of the current consolidated accounting fiscal year
(November 1, 2007 - January 31, 2008)

(Thousands of yen)

	Owners' equity				
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity
Balance at the end of the prior consolidated fiscal year (October 31, 2007)	9,696,717	10,960,869	17,333,642	-19,784	37,971,444
Change of items during the first quarter under review					
Dividends from surplus			-361,311		-361,311
First quarter net income			499,243		499,243
Change of scope of consolidation			-137,975		-137,975
Purchase of treasury stock				-687	-687
Net change of items other than owners' equity during the first quarter under review					—
Total change of items during the first quarter under review	—	—	-43	-687	-731
Balance at the end of the first quarter under review (January 31, 2008)	9,696,717	10,960,869	17,333,599	-20,472	37,970,713

	Valuation and translation adjustments		Minority interests	Total net assets
	Valuation difference on other investment securities	Total valuation and translation adjustments		
Balance at the end of the prior consolidated fiscal year (October 31, 2007)	2,002,072	2,002,072	—	39,973,517
Change of items during the first quarter under review				
Dividends from surplus				-361,311
First quarter net income				499,243
Change of scope of consolidation				-137,975
Purchase of treasury stock				-687
Net change of items other than owners' equity during the first quarter under review	-784,152	-784,152	273,344	-510,807
Total change of items during the first quarter under review	-784,152	-784,152	273,344	-511,539
Balance at the end of the first quarter under review (January 31, 2008)	1,217,920	1,217,920	273,344	39,461,978

(Reference) Prior Consolidated Accounting Fiscal Year (From November 1, 2006 to October 31, 2007)
(Thousands of yen)

	Owners' equity				
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity
Balance at the end of the previous consolidated accounting fiscal year (October 31, 2006)	9,696,717	10,960,869	14,889,638	-6,303	35,540,922
Change of items during the consolidated accounting fiscal year under review					
Dividends from surplus			-591,414		-591,414
Net income			3,035,418		3,035,418
Purchase of treasury stock				-13,481	-13,481
Change of items other than owners' equity during the consolidated accounting fiscal year (net amount)					—
Total changes of items during the consolidated accounting fiscal year under review	—	—	2,444,003	-13,481	2,430,522
Balance at the end of the consolidated accounting fiscal year under review (October 31, 2007)	9,696,717	10,960,869	17,333,642	-19,784	37,971,444

	Valuation and translation adjustments		Minority interests	Total net assets
	Valuation difference on other investment securities	Total valuation and translation adjustments		
Balance at the end of the previous consolidated accounting fiscal year (October 31, 2006)	2,418,684	2,418,684	92,159	38,051,766
Change of items during the consolidated accounting fiscal year under review				
Dividends from surplus				-591,414
Net income				3,035,418
Purchase of treasury stock				-13,481
Change of items other than owners' equity during the consolidated accounting fiscal year (net amount)	-416,611	-416,611	-92,159	-508,771
Total changes of items during the consolidated accounting fiscal year under review	-416,611	-416,611	-92,159	1,921,750
Balance at the end of the consolidated accounting fiscal year under review (October 31, 2007)	2,002,072	2,002,072	—	39,973,517

4. (Summary) First Quarter Consolidated Statements of Cash Flows

(Unit: Thousands of yen)

Item	Period	Prior FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)	(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount
I Cash flow from operating activities				
Income before taxes and adjustments		2,994,927	965,842	5,767,945
Depreciation and amortization expense		1,010,746	1,196,652	4,648,677
Impairment loss		890	490	890
Amortization of goodwill		35,729	63,624	395,108
Gain on sale of fixed assets		-920,700	-16,261	-921,056
Loss on sale or retirement of fixed assets		39,179	17,308	68,231
Gain on reversal of accrued employees retirement benefits		—	—	-845,319
Installment purchases of assets for small-value rentals		40,608	41,258	97,069
Reclassification of cost of sales associated with disposal of construction equipment		7,369	1,467	25,597
Reclassification of cost of sales associated with disposal of rental assets		88,401	61,463	397,062
Expenditures for acquisition of rental assets		-421,876	-394,441	-2,095,742
Valuation loss on investment securities		3,516	5,873	11,016
Gain on sale of investment securities		-3,482	—	-287,528
Loss on sale of investment securities		—	1,317	—
Increase in allowance for doubtful accounts		46,441	73,807	52,842
Increase in accrued bonuses to employees		152,592	181,644	41,189
Decrease in accrued bonuses to directors and auditors		-5,500	—	-5,500
Increase in accrued employees retirement benefits		45,084	19,793	99,580
Increase in retirement allowances to directors and auditors		2,570	6,448	3,419
Interest revenue and dividend income		-14,228	-26,887	-96,497
Interest expense on installment purchases of rental assets		9,931	24,196	43,182
Interest expense		107,108	80,694	338,051
Decrease in accounts receivable, trade		236,449	96,396	720,189
Increase (decrease) in inventory assets		64,977	112,667	-27,730
Increase (decrease) in accounts payable, trade		342,920	602,257	-1,126,702
Decrease in accounts payable, other		-261,773	-91,640	-76,564
Other		-153,892	-946,488	-257,663
Subtotal		3,447,991	2,077,484	6,969,749
Interest and dividends received		14,228	27,378	90,470
Interest expense		-109,204	-101,587	-377,448
Payment of corporate and other taxes		-1,334,782	-1,431,135	-2,202,835
Cash flow from operating activities		2,018,231	572,139	4,479,936

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.16

(Unit: Thousands of yen)

Item	Period	Prior FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)	(Reference) Consolidated Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount
II	Cash flow from investing activities			
	Funds used for investment in term deposits	—	-15,179	—
	Funds provided from redemption of term deposits	—	8,400	—
	Funds used for the purchase of tangible fixed assets	-1,223,118	-504,428	-2,059,416
	Funds provided from the sale of tangible fixed assets	1,845,395	128,035	1,875,374
	Funds used for the purchase of intangible fixed assets	-2,964	-7,250	-64,781
	Funds used for the purchase of investment securities	-47,191	-8,240	-123,716
	Funds provided from sale of investment securities	109,288	18,042	527,674
	Funds used for the purchase of consolidated subsidiary stock	—	—	-367,450
	Funds used for the purchase of non-consolidated subsidiary stock	—	-29,581	-1,199,992
	Funds used for establishment of affiliated company	—	—	-34,778
	Other	—	-10	20,077
	Cash flow from investing activities	681,410	-410,213	-1,427,009
III	Cash flow from financing activities			
	Increase (decrease) in short-term bank loans	37,295	-67,177	-167,704
	Funds provided by long-term bank loans	3,050,000	3,640,000	9,550,000
	Funds used to repay long-term bank loans	-2,790,779	-2,679,594	-10,967,546
	Funds used for redemption of bonds	—	-20,000	—
	Funds used for repayment of installment obligations	-547,496	-640,351	-2,047,202
	Funds used for the purchase of treasury stock	-2,273	-687	-13,481
	Payment of dividends to parent company	-295,732	-361,311	-591,414
	Cash flow from financing activities	-548,985	-129,122	-4,237,348
IV	Increase (decrease) in cash and equivalents	2,150,657	32,804	-1,184,421
V	Balance of cash and equivalents at beginning of period	18,398,312	17,213,890	18,398,312
VI	Increase in cash and equivalents resulting from newly consolidated subsidiaries	—	742,877	—
VII	Balance of cash and equivalents at end of the period	20,548,969	17,989,573	17,213,890



Summary of First Quarter Operating Results (Consolidated)
Fiscal Year Ending October 31, 2008

P.17

5. Business Segment Information

[Segment information by type of business]

Same quarter of the prior consolidated accounting fiscal year

(From November 1, 2006 to January 31, 2007)

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues	17,413,478	1,334,930	107,605	18,856,014	—	18,856,014
Operating expenses	15,271,540	1,350,481	103,035	16,725,057	-42,304	16,682,752
Operating income	2,141,938	-15,550	4,569	2,130,957	42,304	2,173,262

Current quarter (From November 1, 2007 to January 31, 2008)

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues	17,076,798	1,154,943	143,629	18,375,372	—	18,375,372
Operating expenses	16,052,952	1,170,639	125,622	17,349,214	9,674	17,358,888
Operating income	1,023,846	-15,695	18,007	1,026,158	-9,674	1,016,484

(Reference) Prior consolidated accounting fiscal year Ended October 31, 2007

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues	63,072,214	5,120,674	434,024	68,626,913	—	68,626,913
Operating expenses	59,017,423	5,130,682	402,403	64,550,509	-160,130	64,390,378
Operating income	4,054,791	-10,008	31,621	4,076,403	160,130	4,236,534

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.18

[Segment information by location]

Current quarter and first quarter of the prior consolidated fiscal year

The Company had no material items to report because the Company did not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan.

[Foreign sales]

Same quarter of the prior consolidated accounting fiscal year(First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2007)

There are no pertinent items to report because the Company did not have any foreign sales.

Current quarter (First Quarter of the Consolidated Accounting Fiscal Year Ending October 31, 2008)

The Company has omitted a description of foreign sales because foreign sales are less than 10% of consolidated revenues.

6. (Summary) First Quarter Non-Consolidated Balance Sheets

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
(Assets)						
I	Current Assets					
1.	Cash and deposits	19,831,003	11,853,240	-7,977,762	-40.2%	11,115,248
2.	Notes receivable, trade	2,569,242	2,243,398	-325,843	-12.7%	2,255,833
3.	Accounts receivable, trade	10,485,278	10,731,816	246,537	2.4%	10,825,811
4.	Negotiable securities	—	4,850,000	4,850,000	—	5,300,000
5.	Inventory	328,333	318,775	-9,557	-2.9%	295,013
6.	Construction equipment	910,344	731,037	-179,306	-19.7%	770,099
7.	Deferred tax assets	325,896	289,448	-36,448	-11.2%	355,902
8.	Other	541,238	1,097,029	555,790	102.7%	408,597
	Allowance for doubtful accounts	-456,590	-447,059	9,531	-2.1%	-435,092
	Total current assets	34,534,746	31,667,688	-2,867,057	-8.3%	30,891,414
II	Fixed assets					
1.	Tangible fixed assets					
(1)	Rental equipment assets	9,655,732	9,704,614	48,881	0.5%	9,297,639
(2)	Buildings	5,411,561	5,404,276	-7,284	-0.1%	5,502,751
(3)	Structures	961,919	916,047	-45,872	-4.8%	952,093
(4)	Land	25,719,358	26,325,304	605,946	2.4%	25,996,422
(5)	Other	1,185,252	1,056,811	-128,440	-10.8%	1,005,580
	Total tangible fixed assets	42,933,823	43,407,054	473,230	1.1%	42,754,487
2.	Intangible fixed assets					
	Total intangible fixed assets	136,524	136,020	-503	-0.4%	148,235
3.	Investments and other assets					
(1)	Investment securities	6,749,299	3,938,998	-2,810,300	-41.6%	5,249,609
(2)	Stock of affiliated companies	1,029,332	2,679,135	1,649,803	160.3%	2,649,554
(3)	Deferred tax assets	—	491,920	491,920	—	—
(4)	Other	1,819,775	2,164,818	345,042	19.0%	2,205,373
	Allowance for doubtful accounts	-412,531	-458,486	-45,955	11.1%	-430,758
	Reserve for investment losses	-565,171	-565,171	—	—	-565,171

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.20

Total investments and other assets	8,620,705	8,251,215	-369,489	-4.3%	9,108,607
Total fixed assets	51,691,053	51,794,290	103,237	0.2%	52,011,330
Total Assets	86,225,799	83,461,978	-2,763,820	-3.2%	82,902,745

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
(Liabilities)						
I Current liabilities						
1. Notes and accounts payable, trade		9,189,439	8,943,605	-245,834	-2.7%	7,660,014
2. Accounts payable, trade		1,869,489	1,844,492	-24,996	-1.3%	2,456,499
3. Long-term bank loans due within one year		9,928,000	8,796,000	-1,132,000	-11.4%	8,818,000
4. Accounts payable, other		2,196,243	2,114,981	-81,261	-3.7%	2,211,522
5. Corporate taxes payable		1,297,942	391,136	-906,806	-69.9%	1,406,425
6. Accrued bonuses to employees		606,793	659,323	52,530	8.7%	499,457
7. Other		1,087,872	779,231	-308,640	-28.4%	706,663
Total current liabilities		26,175,780	23,528,770	-2,647,010	-10.1%	23,758,582
II Long-term liabilities						
1. Long-term bank loans		15,377,000	15,936,000	559,000	3.6%	14,926,000
2. Long-term accrued expenses		2,554,534	2,745,298	190,764	7.5%	2,353,188
3. Deferred tax liability		210,031	—	-210,031	-100.0%	58,726
4. Accrued employees retirement benefits		1,708,029	948,270	-759,759	-44.5%	928,956
5. Retirement allowances to directors and auditors		90,261	92,383	2,122	2.4%	89,386
Total long-term liabilities		19,939,856	19,721,952	-217,903	-1.1%	18,356,256
Total Liabilities		46,115,637	43,250,722	-2,864,914	-6.2%	42,114,839

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.21

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Accounting Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
(Net Assets)						
I Owners' equity						
1. Paid-in capital		9,696,717	9,696,717	—	—	9,696,717
2. Capital surplus						
Capital legal reserve		10,817,389	10,817,389	—	—	10,817,389
Other capital surplus		143,480	143,480	—	—	143,480
Total Capital Surplus		10,960,869	10,960,869	—	—	10,960,869
3. Earned surplus						
Earned legal reserve		1,375,287	1,375,287	—	—	1,375,287
Other earned surplus		15,242,232	16,981,296	1,739,063	11.4%	16,775,081
Reserve for advanced depreciation of fixed assets		19,601	19,601	—	—	19,601
General reserve		12,931,684	15,631,684	2,700,000	20.9%	12,931,684
Earned surplus brought forward		2,290,946	1,330,009	-960,936	-41.9%	3,823,794
Total earned surplus		16,617,519	18,356,583	1,739,063	10.5%	18,150,368
4. Treasury stock		-8,577	-20,472	-11,895	138.7%	-19,784
Total owners' equity		37,266,529	38,993,697	1,727,168	4.6%	38,788,170
II Valuation and translation adjustments						
Valuation difference on other investment securities		2,843,632	1,217,557	-1,626,074	-57.2%	1,999,735
Total Valuation and Translation Adjustments		2,843,632	1,217,557	-1,626,074	-57.2%	1,999,735
Total Net Assets		40,110,162	40,211,255	101,093	0.3%	40,787,905
Total Liabilities and Net Assets		86,225,799	83,461,978	-2,763,820	-3.2%	82,902,745

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.22

2. (Summary) First Quarter Non-Consolidated Statements of Income

(Unit: Thousands of yen, %)

Item	Period	Prior FY Quarter (First Quarter of the Fiscal Year Ended October 31, 2007)	Current Quarter (First Quarter of the Fiscal Year Ending October 31, 2008)	Change from prior year		(Reference) Fiscal Year Ended October 31, 2007
		Amount	Amount	Amount	Percent	Amount
I	Revenues	16,881,362	15,643,079	-1,238,282	-7.3%	61,576,788
II	Cost of revenues from operations	11,231,929	10,946,700	-285,229	-2.5%	44,713,746
	Gross profit	5,649,433	4,696,379	-953,053	-16.9%	16,863,041
III	Selling, general and administrative expenses	3,639,662	3,684,387	44,724	1.2%	12,850,084
	Operating income	2,009,770	1,011,992	-997,777	-49.6%	4,012,957
IV	Non-operating revenues					
1.	Interest and dividends	15,914	29,086	13,171	82.8%	102,533
2.	Gain on sale of investment securities	3,482	-	-3,482	-100.0%	287,528
3.	Rents received	59,491	49,177	-10,313	-17.3%	195,809
4.	Other	54,794	26,307	-28,486	-52.0%	267,057
	Total non-operating revenues	133,683	104,571	-29,111	-21.8%	852,930
V	Non-operating expenses					
1.	Interest expense	99,857	73,790	-26,066	-26.1%	312,601
2.	Other	24,713	49,749	25,036	101.3%	180,384
	Total non-operating expenses	124,571	123,540	-1,030	-0.8%	492,985
	Ordinary income	2,018,882	993,023	-1,025,858	-50.8%	4,372,901
VI	Extraordinary profits					
1.	Gain on sale of fixed assets	920,700	-	-920,700	-100.0%	920,700
2.	Other	20,291	19,940	-351	-1.7%	875,828
	Total extraordinary profits	940,992	19,940	-921,051	-97.9%	1,796,528
VII	Extraordinary losses					
1.	Loss on sale or retirement of fixed assets	37,945	2,799	-35,145	-92.6%	63,908
2.	Impairment loss	890	490	-400	-44.9%	890
3.	Valuation loss on investment securities	3,516	5,873	2,357	67.0%	11,016
4.	Transfer to allowance for doubtful loans to affiliates	-	-	-	-	8,311

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.23

5. Other	19,508	19,168	-340	-1.7%	31,500
Total extraordinary losses	61,860	28,332	-33,528	-54.2%	115,626
Income before taxes and adjustments	2,898,013	984,632	-1,913,381	-66.0%	6,053,803
Corporate, local and business taxes	1,267,202	371,096	-896,105	-70.7%	2,203,734
Adjustment for corporate and other taxes	28,325	46,008	17,682	62.4%	419,052
Net income	1,602,485	567,526	-1,034,958	-64.6%	3,431,016

3. (Summary) First Quarter Non-Consolidated Statement of Changes in Net Assets

First quarter of the prior fiscal year(November 1, 2006 - January 31, 2007)

(Thousands of yen)

	Owners' Equity								
	Paid-in capital	Capital surplus			Earned surplus				
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus			Total earned surplus
					Reserve for advanced depreciation of fixed assets	General reserve	Net earned surplus brought forward		
Balance at the end of the prior fiscal year (October 31, 2006)	9,696,717	10,817,389	143,480	10,960,869	1,375,287	19,601	11,831,684	2,084,192	15,310,766
Change of items during the first quarter under review									
Transfer to general reserve				—			1,100,000	-1,100,000	—
Dividends from surplus				—				-295,732	-295,732
First quarter net income				—				1,602,485	1,602,485
Purchase of treasury stock				—					—
Net change of items other than owners' equity during the first quarter under review									
Total change of items during the first quarter under review	—	—	—	—	—	—	1,100,000	206,753	1,306,753
Balance at the end of the first quarter under review (January 31, 2007)	9,696,717	10,817,389	143,480	10,960,869	1,375,287	19,601	12,931,684	2,290,946	16,617,519

	Owners' Equity		Valuation and translation adjustments		Total Net Assets
	Treasury stock	Total Owners' Equity	Valuation difference on other investment securities	Total valuation and translation adjustments	
Balance at the end of the prior fiscal year (October 31, 2006)	-6,303	35,962,049	2,414,062	2,414,062	38,376,112
Change of items during the first quarter under review					
Transfer to general reserve		—			—
Dividends from surplus		-295,732			-295,732
First quarter net income		1,602,485			1,602,485
Purchase of treasury stock	-2,273	-2,273			-2,273
Net change of items other than owners' equity during the first quarter under review			429,570	429,570	429,570
Total change of items during the first quarter under review	-2,273	1,304,479	429,570	429,570	1,734,050
Balance at the end of the first quarter under review (January 31, 2007)	-8,577	37,266,529	2,843,632	2,843,632	40,110,162

First quarter of the current fiscal year(November 1, 2007 - January 31, 2008)

(Thousands of yen)

	Owners' Equity								
	Paid-in capital	Capital surplus			Earned surplus				
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus			Total earned surplus
					Reserve for advanced depreciation of fixed assets	General reserve	Net earned surplus brought forward		
Balance at the end of the prior fiscal year (October 31, 2007)	9,696,717	10,817,389	143,480	10,960,869	1,375,287	19,601	12,931,684	3,823,794	18,150,368
Change of items during the first quarter under review									
Transfer to general reserve				—			2,700,000	-2,700,000	—
Dividends from surplus				—				-361,311	-361,311
First quarter net income				—				567,526	567,526
Purchase of treasury stock				—					—
Net change of items other than owners' equity during the first quarter under review									
Total change of items during the first quarter under review	—	—	—	—	—	—	2,700,000	-2,493,785	206,214
Balance at the end of the first quarter under review (January 31, 2008)	9,696,717	10,817,389	143,480	10,960,869	1,375,287	19,601	15,631,684	1,330,009	18,356,583

	Owners' Equity		Valuation and translation adjustments		Total Net Assets
	Treasury stock	Total Owners' Equity	Valuation difference on other investment securities	Total valuation and translation adjustments	
Balance at the end of the prior fiscal year (October 31, 2007)	-19,784	38,788,170	1,999,735	1,999,735	40,787,905
Change of items during the first quarter under review					
Transfer to general reserve		—			—
Dividends from surplus		-361,311			-361,311
First quarter net income		567,526			567,526
Purchase of treasury stock	-687	-687			-687
Net change of items other than owners' equity during the first quarter under review			-782,177	-782,177	-782,177
Total change of items during the first quarter under review	-687	205,527	-782,177	-782,177	-576,650
Balance at the end of the first quarter under review (January 31, 2008)	-20,472	38,993,697	1,217,557	1,217,557	40,211,255

(Reference) Prior Fiscal Year (From November 1, 2006 to October 31, 2007)

(Thousands of yen)

	Owners' equity										
	Paid-in capital	Capital surplus			Earned surplus					Treasury stock	Total Owners' Equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Legal earned surplus	Other earned surplus			Total earned surplus		
						Reserve for advanced depreciation of fixed assets	General reserve	Net earned surplus brought forward			
Balance at the end of the prior fiscal year (October 31, 2006)	9,696,717	10,817,389	143,480	10,960,869	1,375,287	19,601	11,831,684	2,084,192	15,310,766	- 6,303	35,962,049
Changes of items during the fiscal year											
Transfer to general reserve				-			1,100,000	-1,100,000	-		-
Dividends from surplus				-				-591,414	-591,414		-591,414
Net income				-				3,431,016	3,431,016		3,431,016
Purchase of treasury stock				-					-	-13,481	-13,481
Net changes of items other than owners' equity during the fiscal year											
Total changes of items during the fiscal year	-	-	-	-	-	-	1,100,000	1,739,602	2,839,602	-13,481	2,826,120
Balance at the end of fiscal year under review	9,696,717	10,817,389	143,480	10,960,869	1,375,287	19,601	12,931,684	3,823,794	18,150,368	-19,784	38,788,170

	Valuation and translation adjustments		Total net assets
	Valuation difference on other investment securities	Total valuation and translation adjustments	
Balance at the end of the prior fiscal year (October 31, 2006)	2,414,062	2,414,062	38,376,112
Changes of items during the fiscal year			
Transfer to general reserve			-
Dividends from surplus			-591,414
Net income			3,431,016
Purchase of treasury stock			-13,481
Net changes of items other than owners' equity during the fiscal year	-414,327	-414,327	-414,327
Total changes of items during the fiscal year	-414,327	-414,327	2,411,793
Balance at the end of fiscal year under review	1,999,735	1,999,735	40,787,905

kanamoto

Summary of First Quarter Operating Results (Consolidated)

Fiscal Year Ending October 31, 2008

P.27