Six-month Consolidated Financial Report for the Fiscal Year ending October 31, 2009

June 5, 2009

Company name: Kanamoto Company, Ltd.

Code number:9678 Stock Change Listing: Tokyo, Sapporo

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1. Operating Results for the Six-month of the Fiscal Year Ending October 31, 2009

(November 1, 2008 - April 30, 2009)

(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, 2009: Second Quarter	32,590	—	921	—	793	—
Fiscal Year Ended October 31, 2008: Second Quarter	37,236	(2.8)	2,918	(-15.1)	2,833	(-17.2)

	Net income		Net Income per Share	Diluted Net Income per Share
	Millions of yen	%	Yen	Yen
Fiscal Year Ending October 31, 2009: Second Quarter	-143	—	-4.38	—
Fiscal Year Ended October 31, 2008: Second Quarter	1,476	(-38.0)	44.97	—

(2) 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, 2009: Second Quarter	97,784	37,822	38.3	1,140.50
Fiscal Year Ended October 31, 2008	91,741	38,202	41.4	1,155.47

(Reference) Shareholder's equity Fiscal Year Ending October 31, 2009 second Quarter: 37,452 million yen
Fiscal Year Ended October 31, 2008: 37,947 million yen

2. Dividends

	Dividend per share				
(Record date)	End of 1Q	End of 2Q	End of 3Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended October 31,2008	-	10.00	-	10.00	20.00
Fiscal Year ending October 31,2009	-	10.00			
Fiscal Year ending October 31,2009 (Projected)			-	10.00	20.00

(Note) Revision of dividend project for the current quarter: No

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 2009

(November 1, 2008 - October 31, 2009)

(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
Full year	64,850	-6.6	320	-85.6	40	-98.0	-990	—	-30.15

(Note) Revision of Projected Consolidated Operating Results for the current quarter: No

4. Other

(1) Changes to material subsidiaries during the period (transfer of specified subsidiaries in conjunction with revision to scope of consolidation)? : No

(2) Has the Company adopted simplified methods for accounting treatment? :No

(3) Changes in accounting principles, procedures, or representation methods relating to preparation of the consolidated quarterly financial statements (Matters stated in the Change to the Basis for presentation of the Consolidated Quarterly Financial Statements)
(a) Changes in accordance with revisions to accounting standards: Yes
(b) Changes other than the above: Yes

(Note) For details, see “4. Other matters” on Page 5 (Qualitative information and financial statements).

(4) Number of shares issued (Common stock)
(a)Number of shares outstanding at the end of period (including treasury stock):
Fiscal Year Ending October 31, 2009 Second Quarter: 32,872,241 shares
Fiscal Year Ended October 31, 2008: 32,872,241 shares
(b)Number of shares of treasury stock at the end of period
Fiscal Year Ending October 31, 2009 Second Quarter: 33,989 shares
Fiscal Year Ended October 31, 2008: 30,848 shares
(c)Average number of shares during the period (Consolidated cumulative period)
Fiscal Year Ending October 31, 2009 Second Quarter: 32,839,730 shares
Fiscal Year Ended October 31, 2008 Second Quarter: 32,845,359 shares

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

(1) The projections above represent an outlook for the future and assumptions about uncertain factors that might affect future results, based on information available as of the date of the announcement of this document. Actual results may differ from the projections as a result of factors arising in the future.

(2) Commencing the current fiscal year, the Company is applying the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Statement No.12) and Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No.14). Quarterly consolidated financial statements are prepared under the Rules for Quarterly Consolidated Financial Statements.

Qualitative Information and Financial Statements

1. Qualitative information concerning consolidated operating results

< Management Environment > (From November 1, 2008 to April 30, 2009)
During the Kanamoto Group's first and second quarters, the economic environment deteriorated rapidly in the wake of the simultaneous global economic slowdown. The recessionary mood was heightened as concerns over job insecurity spread rapidly, driven by corporate production cutbacks and workforce adjustments. Furthermore, despite the appearance of some bright spots resulting from ongoing progress in inventory adjustments centered on major enterprises that laid the groundwork for supplying new products, and emerging signs that economic stimulus policies are gradually having an effect, the downward trend of Japan's domestic economy remained unchanged during the second quarter, and a recovery in employment and private sector capital investment remained distant, as the economy exhibited the worst GDP growth rate ever recorded. In the construction industry in particular, the extremely severe management environment continued. Similar to the first quarter, when construction demand declined at an accelerating pace, there was still no recovery in construction demand during the second quarter, as leading local firms and housing construction companies continued to file for bankruptcy, and as construction activity in the Tokyo metropolitan area and other major urban centers, which had remained steady, began to slow.

< Fiscal Year Interim Period Consolidated Operating Results > (From November 1, 2008 to April 30, 2009)
Although the government enacted two supplementary budgets in the prior fiscal year as a domestic economic stimulus package, and drafted a new fiscal year budget and budgetary process incorporating a domestic demand expansion plan, these public works are not expected to have a broad effect until after the latter half of the fourth quarter of the fiscal year. Through the second quarter, the results were not very apparent. Despite such conditions, the Company was able to increase interim period consolidated net sales slightly above the revised operating results projection released on March 9, as a result of efforts to strengthen sales and marketing across the entire Kanamoto Group, even though competition in the construction equipment rental business in various regions has intensified because of an absolute decline in construction demand and rental unit prices are exhibiting a downward trend centered on models affected by a collapse in the balance of demand-and-supply. The Company judges it also was able to expand its market share in scattered regions.
As a result, consolidated revenues for the interim period of the fiscal year ending in October 2009 were ¥32,590 million.
Operating income and ordinary income were slightly higher than the revised operating results forecast, reflecting a rental equipment cost depletion effect and reductions in overhead. Consolidated operating income was ¥921 million, and consolidated ordinary income was ¥793 million. As final net earnings, the Company posted an interim period consolidated net loss of ¥143 million. This reflected losses on valuation of investment securities recorded in both the first and second quarters totaling ¥586 million, which were recorded as extraordinary losses.

A summary of operating results for each of the Company's business segments is described below.
< Business related to the Construction Equipment Rental Division >
By region, compared with the same period of the previous consolidated fiscal year net sales for construction equipment rentals decreased 9.3% in the Hokkaido Region, fell 8.8% in the Tohoku Region, increased 2.7% in the Kanto Region, declined 7.3% in the Kinki & Chubu Region and slipped 0.7% in the Kyushu and Okinawa Region. This result realistically reflected the fact that while Kanamoto was able to expand its share of available sales in various regions, construction demand continued to fall throughout Japan and competition for the remaining small volume of rental demand has intensified, and the fact the downward trend in rental unit prices is unabated.
The Kanto Region was the sole area where Kanamoto achieved year-on-year growth in consolidated net sales. Although a drop in construction demand by both the public and private sectors was evident, similar to other regions, Kanamoto's performance reflected the ongoing works for large-scale projects such as the Tokyo International Airport (Haneda) Expansion Project, and demonstrated the synergistic effect among each company in the Kanamoto Group.
Revenues from sales of used construction equipment for the consolidated interim period under review decreased 29.1% year-on-year. The decline was the result of lower sales in the domestic market, which exhibited the same pattern as equipment rentals and expanded greatly in the Kanto Region while declining in other areas, and limits on the number of used machines sold in the overseas market, in accordance with the Company's initial plan, in light of the used equipment market trend and direction of exchange rates.
As a result of these factors, in the construction-related businesses of the entire Kanamoto Group, revenues for the interim period of the consolidated accounting fiscal year were ¥30,025 million and operating income was ¥936 million.

< Business related to the Steel Sales Division >
In the steel products sales business, the Doo Block in Hokkaido where building demand had been expected did not enjoy a recovery. For the interim period of the consolidated fiscal year under review, revenues fell 14.3% from the same period of the previous consolidated fiscal year to ¥2,338 million. The operating loss was ¥3 million.

< Information Products Division-related businesses and other business >
In the Company's information and telecommunications-related division, there was no change in the tendency of customers to lower spending because of the sharp economic downturn. Revenues for the interim period of the consolidated fiscal year under review were ¥227 million, down 16.7% compared with the same period one year earlier, and operating income was ¥16 million.

[Business development issues deserving special mention and status of branch office changes]
During the second quarter, the Company closed its Kohoku Branch (Kohoku Ward, Yokohama) and the Yokohama Equipment Center (Aoba-ku, Yokohama). In addition, Kensan Fukuoka Co., Ltd., a subsidiary of Kyushu Kensan Co., Ltd. was merged into Kyushu Kensan. This change was implemented to improve the efficiency of sales and administration.

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 interim period under review increased by ¥6,043 million to ¥97,784 million. This change was mainly an increase in rental equipment assets of ¥5,397 million.

Total liabilities were ¥59,962 million, an increase of ¥6,423 million compared with the end of prior consolidated accounting fiscal year. This was largely the result of an increase in long-term bank loans of ¥3,512 million, including long-term bank loans due within one year, compared with the end of prior consolidated accounting fiscal year, and higher long-term accrued expenses, which increased ¥1,993 million compared with the end of prior consolidated accounting fiscal year.

Total net assets were ¥37,822 million, ¥379 million lower than at the end of prior consolidated accounting fiscal year. The main factor was a decrease in earned surplus of ¥472 million.

(2) Cash flows

Cash flow from operating activities was ¥2,647 million, a decrease of ¥2,487 million from the interim period of the prior consolidated accounting fiscal year. Although cash flow produced by the reduction in accounts receivable, trade was higher than in the same period one year earlier, factors that resulted in lower cash flow from operating activities included lower income before taxes and adjustments and a reduction in accounts payable, trade.

Cash flow used in investing activities was ¥2,287 million, ¥362 million less than in the interim period of the prior consolidated accounting fiscal year. This mainly reflected a smaller amount of funds used for the purchase of tangible fixed assets. The largest increase in outlays was an increase in funds used for the purchase of investment securities.

Cash flow from financing activities was ¥587 million, a year-on-year increase of ¥546 million. This mainly reflected an increase in funds provided by long-term bank loans, offset somewhat by higher 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 was ¥18,538 million. Together with an increase in cash and equivalents of ¥24 million in conjunction with the merger of an unconsolidated subsidiary, the balance of cash and cash equivalent increased by ¥971 million compared with the end of the prior consolidated accounting fiscal year.

3. Qualitative information concerning projected consolidated operating results

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. The Company released its "Notification Concerning Revision of Interim Period Operating Results and Projected Full-Year Operating Results for the Business Period Ending October 2009" on Friday, May 29. Because many of the Company's subsidiaries have not experienced a business recovery, however, non-consolidated and consolidated projected operating results for the full year have diverged from the projection.

In addition, as described above in the "Qualitative information concerning consolidated operating results," although the government hammered out a rapid succession of domestic demand expansion measures to address the domestic economic slump, at present the Company believes circumstances are extremely fluid and does not expect these programs to affect Kanamoto's operating results until the latter half of the fourth quarter. Consequently it is difficult to anticipate a large positive economic stimulus effect from these measures, and the Company has not actively incorporated them into its latest operating results forecast.

With regard to dividends, the Company plans to pay an interim dividend of ¥10 per share, and will decide the amount of its year-end dividend after considering the future trend in operating results, which are subject to change. Furthermore, 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 Kanamoto Group, 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)
The Company had no material items to report.

(2) Application of simplified accounting method and special accounting method in the preparation of quarterly consolidated financial statements
The Company had no material items to report.

(3) Changes in accounting principles, procedures and presentation methods pertaining to preparation of the quarterly consolidated financial statements

a) Beginning from this consolidated accounting fiscal year, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Implementation Guidance No. 14). In addition, the quarterly consolidated financial report has been prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

b) Changes in appraisal standards and appraisal methods for principal assets
Inventory assets
Traditionally the Company has valued merchandise inventories held by the Company for normal sales purposes at cost, with cost being determined by the lower of cost or market based on the Last-in, First-out method. Beginning from the first quarter consolidated accounting fiscal period under review, the Company will apply the "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan Statement No. 9, issued July 5, 2006) and will value inventories based on the original cost method, with cost being determined mainly by the Last-in, First-out method (amounts shown on Balance Sheets will the reduced book value based on decline in profitability).
The affect of this change on earnings is not material.
Construction equipment
Traditionally, the Company and its domestic consolidated subsidiaries valued construction equipment using the amount after deduction of depreciation expense as calculated according to the declining-balance method from the original prices, by separate fiscal year of purchase. Beginning from the first quarter consolidated accounting period under review, the Company will calculate the amount after deduction of depreciation expense as calculated according to the straight-line method from the original prices, by separate fiscal year of purchase.
Because rental earnings obtained from construction equipment are generated on average over the period during which the construction equipment is used, the Company has made this change in conjunction with the change of depreciation method for rental equipment from the declining balance method to the straight-line depreciation method from the first quarter consolidated accounting period under review, in order to similarly recognize a fixed expense amount corresponding to earnings, achieve a correspondence between expenses and earnings and more properly calculate accounting period profits and losses for construction equipment that contributes to the acquisition of rental earnings.
As a result, the cost of revenues from operations decreased by ¥34 million, and gross profit, operating income, ordinary income and income before taxes and adjustments increased by the same amount, respectively, compared to what they otherwise would have been had the accounting standards used in past periods been applied.
The affect of this change on the Company's information by segment is described in the relevant section.

c) Changes in accounting standards used for normal accounting treatment
Application of accounting standards for lease transactions
(Lessor side)
The Company traditionally accounted for finance lease transactions other than leases that transfer ownership of the property by applying accounting treatment based on the method applied for ordinary rental transactions. For quarterly consolidated financial statements pertaining to the consolidated fiscal year that begins on or after April 1, 2008, however, corporations will be able to apply the "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Statement No. 13 (issued June 17, 1993 (Business Accounting Council, First Subcommittee), revised March 30, 2007)) and the "Guidance on Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Implementation Guidance No. 16 (issued January 18, 1994 (The Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007)), and beginning from the first quarter consolidated accounting period under review, the Company will apply these standards and account for such transactions using a method similar to that used for ordinary sale and purchase transactions. In addition, for depreciation for lease assets related to finance lease transactions other than leases that transfer ownership of the property, the Company has adopted the straight-line depreciation method, using the term of the lease as the depreciable life and a residual value of zero.
For finance lease transactions other than leases that transfer ownership of the property for which the lease transaction starting date predates the beginning of the first year in which the lease accounting standard will

be applied, the Company will continue to apply the accounting practices based on the method for ordinary rental transactions.
The affect of this change on earnings is not material.

Change in depreciation methods for principal depreciable assets
Tangible fixed assets
Traditionally, the Company and its domestic consolidated subsidiaries have applied the declining balance method for depreciation of rental equipment. Beginning from the first quarter consolidated accounting period under review, the Company and its domestic subsidiaries have adopted the straight-line depreciation method.
Because rental earnings obtained from rental equipment are generated on average over the period during which the rental equipment is used, the Company has made this change as a result of investigating a more appropriate method for allocation of expenses, following an increase in the size of purchases and increase in the monetary importance of rental equipment as a result of changing its method for acquisition of rental equipment from leasing agreements to purchases, in order to recognize a fixed expense amount corresponding to earnings, achieve a correspondence between expenses and earnings and more properly calculate accounting period profits and losses.
As a result, the cost of revenues from operations decreased by ¥1,129 million, and gross profit, operating income, ordinary income and income before taxes and adjustments increased by the same amount, respectively, compared to what they otherwise would have been had the accounting standards used in past periods been applied.

The affect of this change on the Company’s information by segment is described in the relevant section.

5. Consolidated Financial Statements

(1)Consolidated Quarterly Balance Sheets

(Unit: Thousands of yen)

	As of April 30, 2009	As of October 31,2008
Assets		
Current assets		
Cash and deposits	14,371,013	14,070,345
Notes and accounts receivable-trade	13,924,435	15,297,757
Short-term investment securities	4,250,000	3,700,000
Costs on uncompleted construction contracts	80,973	147,054
Merchandise and finished goods	535,569	662,924
Raw materials and supplies	143,061	146,343
construction machine parts	994,792	874,680
Deferred tax assets	231,017	256,893
Other	528,729	927,446
Allowance for doubtful accounts	-535,794	-526,414
Total current assets	34,523,797	35,557,032
Noncurrent assets		
Property, plant and equipment		
rental equipment	52,920,609	43,694,544
accumulated depreciation	-35,265,772	-31,437,026
rental equipment, net	17,654,837	12,257,517
Buildings and structures	19,792,902	17,869,527
Accumulated depreciation	-11,944,072	-10,968,596
Buildings and structures, net	7,848,829	6,900,931
Machinery, equipment and vehicles	5,060,895	4,622,991
Accumulated depreciation	-4,213,578	-3,854,409
Machinery, equipment and vehicles, net	847,316	768,582
Land	29,446,265	29,075,816
Construction in progress	830,595	683,294
Other	1,221,292	1,163,486
Accumulated depreciation	-979,533	-930,597
Other, net	241,758	232,889
Total property, plant and equipment	56,869,603	49,919,031
Intangible assets		
Goodwill	618,999	557,260
Other	234,167	170,056
Total intangible assets	853,167	727,316
Investments and other assets		
Investment securities	2,739,467	2,847,982
Deferred tax assets	1,278,389	1,054,883
Other	2,607,401	2,552,794
Allowance for doubtful accounts	-1,086,919	-917,742
Total investments and other assets	5,538,339	5,537,917
Total noncurrent assets	63,261,109	56,184,266
Total assets	97,784,907	91,741,299

(Unit: Thousands of yen)

	As of April 30, 2009	As of October 31,2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,995,482	12,878,993
Short-term loans payable	1,368,510	338,521
Current portion of long-term loans payable	10,511,647	9,599,494
Current portion of bonds	62,000	62,000
Income taxes payable	434,929	149,932
Provision for bonuses	413,348	549,981
Accounts payable-other	3,760,652	3,325,933
Other	1,575,558	1,490,017
Total current liabilities	30,122,129	28,394,874
Noncurrent liabilities		
Bonds payable	55,000	86,000
Long-term loans payable	21,980,216	19,379,661
Provision for retirement benefits	1,249,674	1,080,005
Provision for directors' retirement benefits	177,462	174,824
Long-term accounts payable-other	5,928,416	3,935,016
Other	449,183	488,612
Total noncurrent liabilities	29,839,954	25,144,119
Total liabilities	59,962,083	53,538,994
Net assets		
Shareholders' equity		
Capital stock	9,696,717	9,696,717
Capital surplus	10,960,869	10,960,869
Retained earnings	16,677,545	17,149,945
Treasury stock	-23,757	-22,729
Total shareholders' equity	37,311,374	37,784,803
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	140,687	162,358
Total valuation and translation adjustments	140,687	162,358
Minority interests	370,761	255,143
Total net assets	37,822,823	38,202,305
Total liabilities and net assets	97,784,907	91,741,299

(2)Consolidated Quarterly Statement of Income

	(Unit: Thousands of yen) 6 months FY2009 (November 1, 2008 -April 30, 2009)
Net sales	32,590,313
Cost of sales	23,241,760
Gross profit	9,348,552
Selling, general and administrative expenses	8,427,012
Operating income	921,539
Non-operating income	
Interest income	27,006
Dividends income	7,937
Insurance income	22,012
Rent income	22,590
A receipt bonus	2,405
Amortization of negative goodwill	34,916
Other	66,617
Total non-operating income	183,486
Non-operating expenses	
Interest expenses	199,722
Loss on sales of notes receivable	34,469
Other	77,064
Total non-operating expenses	311,257
Ordinary income	793,768
Extraordinary income	
Reversal of allowance for doubtful accounts	3,749
Reversal of provision for retirement benefits	16,310
Other	9,522
Total extraordinary income	29,582
Extraordinary loss	
Loss on sales and retirement of noncurrent assets	29,809
Impairment loss	312
Loss on valuation of investment securities	586,336
Other	38,716
Total extraordinary losses	655,175
Income before income taxes and minority interests	168,176
Income taxes-current	402,548
Income taxes-deferred	-183,469
Total income taxes	219,079
Minority interests in income	93,084
Net loss	-143,986

(3) Consolidated Quarterly Statements of Cash Flows

(Unit: Thousands of yen)

	6 months FY2009 (November 1, 2008 -April 30, 2009)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	168,176
Depreciation and amortization	2,230,638
Impairment loss	312
Amortization of goodwill	85,315
Loss on sales and retirement of noncurrent assets	29,809
The amount of assets buy on the installment plan purchase for small rentals	17,637
The amount of cost price transfer with the construction machine parts sale	12,750
The amount of cost price transfer with asset sell-off for rentals	331,115
Expenditure by the assets acquisition for rentals	-2,234,037
Loss on valuation of investment securities	586,336
Loss on sales of investment securities	2,086
Increase in allowance for doubtful accounts	118,268
Decrease in provision for bonuses	-148,633
Increase in provision for retirement benefits	94,839
Decrease in provision for directors' retirement benefits	-5,423
Interest and dividends income	-34,944
Assets buy on the installment plan purchase payment interest for rentals	81,632
Interest expenses	199,722
Decrease in notes and accounts receivable-trade	2,061,630
Decrease in inventories	210,246
Decrease in notes and accounts payable-trade	-1,352,782
Increase in accounts payable-other	352,445
Other, net	112,548
Subtotal	2,919,690
Interest and dividends income received	36,334
Interest expenses paid	-297,581
Income taxes paid	-11,338
Net cash provided by (used in) operating activities	2,647,106
Net cash provided by (used in) investment activities	
Proceeds from withdrawal of time deposits	121,123
Purchase of property, plant and equipment	-1,696,035
Proceeds from sales of property, plant and equipment	16,788
Purchase of intangible assets	-29,805
Purchase of investment securities	-515,008
Proceeds from sales of investment securities	51,808
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-169,304
Purchase of investments in subsidiaries	-46,000
Payments for Establishment of Subdiaries	-21,664
Other, net	260
Net cash provided by (used in) investment activities	-2,287,838

	(Unit: Thousands of yen) 6 months FY2009 (November 1, 2008 -April 30, 2009)
Net cash provided by (used in) financing activities	
Net increase in short-term loans payable	137,988
Proceeds from long-term loans payable	8,000,000
Repayment of long-term loans payable	-5,391,542
Redemption of bonds	-31,000
Repayments of installment payables	-1,800,065
Purchase of treasury stock	-1,028
Cash dividends paid	-326,459
Net cash provided by (used in) financing activities	587,893
Net increase in cash and cash equivalents	947,161
Cash and cash equivalents at beginning of period	17,566,695
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	24,629
Cash and cash equivalents at end of period	18,538,486

Beginning from this consolidated accounting fiscal year, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Implementation Guidance No. 14). In addition, the quarterly consolidated financial report has been prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

(4) Notes relating to the going concern assumption
The Company had no material items to report.

(5) Business Segment Information
[Segment information by type of business]
Current quarter (From November 1, 2008 to April 30, 2009)

(Unit: Thousands of yen)

	Construction equipment rental business	Steel sales business	Information products business and other businesses	Total	Eliminations or entire company	Consolidated
Revenues						
(1)Revenues from customers	30,025,003	2,338,077	227,231	32,590,313	—	32,590,313
(2)Intersegment revenue	—	—	—	—	—	—
Total	30,025,003	2,338,077	227,231	32,590,313	—	32,590,313
Operating income	936,771	-3,252	16,320	949,838	-28,298	921,539

Changes in accounting method
1. Changes in appraisal methods for principal assets
As described in Section 4. (3) b) under Qualitative Information and Financial Statements, the Company and its domestic consolidated subsidiaries traditionally valued construction equipment using the amount after deduction of depreciation expense as calculated according to the declining-balance method from the original prices, by separate fiscal year of purchase. Beginning from the first quarter consolidated accounting period under review, the Company will calculate the amount after deduction of depreciation expense as calculated according to the straight-line method from the original prices, by separate fiscal year of purchase.
In conjunction with this change, the operating income of the Company's construction-related business increased by ¥34,192 thousands compared with what it otherwise would have been had the accounting standard used in past periods been applied.

2. Change in depreciation method for depreciable assets
As described in Section 4. (3) c) under Qualitative Information and Financial Statements, beginning from the first quarter consolidated accounting period under review the Company and its domestic subsidiaries have changed the method for depreciation of rental equipment from the declining balance method to the straight-line depreciation method.
In conjunction with this change, the operating income of the Company's construction-related business increased by ¥1,129,912 thousands compared with what it otherwise would have been had the accounting standard used in past periods been applied.

[Segment information by location]
Second quarter consolidated year-to-date (from November 1, 2008 to April 30, 2009)
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]

Second quarter consolidated year-to-date (from November 1, 2008 to April 30, 2009)

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

(6) Note on significant changes to shareholders' equity

The Company had no material items to report.

(Reference) Financial Statements for the Previous Fiscal Year

(1) (Summary) Consolidated statements of income

(Unit: Thousands of yen)

Item / Period	Prior FY Quarter 6 months FY Quarter (Second Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
I Revenues	37,236,856
II Cost of revenues from operations	26,195,233
Gross profit	11,041,622
III Selling, general and administrative expenses	8,123,028
Operating income	2,918,593
IV Non-operating revenues	
1.Interest revenue	33,462
2.Dividend income	17,632
3.Insurance benefits	44,557
4.Rents received	43,573
5.Cash bonus received	4,013
6.Other	57,418
Total non-operating revenues	200,658
V Non-operating expenses	
1. Interest expense	170,500
2. Loss on sale of notes receivable	43,719
3. Valuation loss on investment securities	869
4. Other	71,119
Total non-operating expenses	286,208
Ordinary income	2,833,043
VI Extraordinary profits	
1.Gain on sale of fixed assets	18,327
2.Gain on reversal of allowance for doubtful accounts	19,777
3.Other	5,045
Total extraordinary profits	43,150
VII Extraordinary losses	
1.Loss on sale or retirement of fixed assets	42,960
2.Impairment loss	490
3.Valuation loss on investment securities	5,873
4.Loss on investments in partnership	19,859
5.Loss on valuation of goods	12,741
6.Other	28,300
Total extraordinary losses	110,225
Income before taxes and adjustments	2,765,968
Corporate, local and business taxes	1,264,075
Adjustment for corporate and other taxes	-37,814
Minority interest in income	62,781
Net income	1,476,926

(2) (Summary) Consolidated quarterly statements of cash flows

(Unit: Thousands of yen)

Item / Period	Prior FY Quarter 6 months FY Quarter (Second Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
I Cash flow from operating activities	
Income before taxes and adjustments	2,765,968
Depreciation and amortization expense	2,525,135
Impairment loss	490
Amortization of goodwill	127,298
Gain on sale of fixed assets	-18,327
Loss on sale or retirement of fixed assets	42,960
Installment purchases of assets for small-value rentals	44,678
Reclassification of cost of sales associated with disposal of construction equipment	2,910
Reclassification of cost of sales associated with disposal of rental assets	259,063
Expenditures for acquisition of rental assets	-1,855,062
Valuation loss on investment securities	5,873
Loss on sale of investment securities	869
Increase in allowance for doubtful accounts	91,333
Decrease in accrued bonuses to employees	-23,764
Increase in accrued employees retirement benefits	37,774
Increase in retirement allowances to directors and auditors	13,042
Interest revenue and dividend income	-51,094
Interest expense on installment purchases of rental assets	48,143
Interest expense	170,500
Decrease in accounts receivable, trade	1,213,602
Increase in inventory assets	18,047
Increase in accounts payable, trade	316,068
Increase in accounts payable, other	1,276,065
Other	-292,539
Subtotal	6,719,039
Interest and dividends received	51,260
Interest expense	-227,445
Payment of corporate and other taxes	-1,408,219
Cash flow from operating activities	5,134,634

(Unit: Thousands of yen)

Item / Period	Prior FY Quarter 6 months FY Quarter (Second Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
II Cash flow from investing activities	
Funds used for investment in term deposits	-46,698
Funds provided from redemption of term deposits	124,340
Funds used for the purchase of investment securities	-10,031
Funds provided from sell of investment securities	28,701
Funds used for establishment of affiliated company	-100,000
Funds used for the purchase of tangible fixed assets	-2,466,017
Funds provided from the sale of tangible fixed assets	142,139
Funds used for the purchase of intangible fixed assets	-21,656
Funds used for the purchase of consolidated subsidiary stock	-50
Funds used for the purchase of non-consolidated subsidiary stock	-303,711
Other	3,028
Cash flow from investing activities	-2,649,955
III Cash flow from financing activities	
Decrease in short-term bank loans	-60,365
Funds provided by long-term bank loans	6,860,000
Funds used to repay long-term bank loans	-5,138,446
Funds used for redemption of bonds	-20,000
Funds used for repayment of installment obligations	-1,236,930
Funds used for the purchase of treasury stock	-1,235
Payment of dividends to parent company	-361,311
Cash flow from financing activities	41,710
IV Increase in cash and equivalents	2,526,390
V Balance of cash and equivalents at beginning of period	17,213,890
VI Increase in cash and equivalents resulting from newly consolidated subsidiaries	680,339
VII Balance of cash and equivalents at end of the period	20,420,620

(3)Business Segment Information

[Segment information by type of business]

6 months FY2008 (From November 1, 2007 to April 30, 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	34,235,077	2,728,971	272,808	37,236,856	—	37,236,856
Operating expenses	31,334,549	2,733,212	231,465	34,299,227	19,034	34,318,262
Operating income	2,900,527	-4,241	41,342	2,937,628	-19,034	2,918,593

[Segment information by location]

Second quarter consolidated year-to-date (From November 1, 2007 to April 30, 2008)

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]

Second quarter consolidated year-to-date (From November 1, 2007 to April 30, 2008)

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