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

September 4, 2009

Company name: Kanamoto Company, Ltd.

Code number:9678 Stock Change Listing: Tokyo, Sapporo

URL http://www.kanamoto.co.jp

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

(November 1, 2008 - July 31, 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: Third Quarter	47,258	—	-299	—	-544	—
Fiscal Year Ended October 31, 2008: Third Quarter	53,668	(2.7)	2,291	(-37.9)	2,188	(-44.1)

	Net income		Net Income per Share	Diluted Net Income per Share
	Millions of yen	%	Yen	Yen
Fiscal Year Ending October 31, 2009: Third Quarter	-858	—	-26.13	—
Fiscal Year Ended October 31, 2008: Third Quarter	974	(-62.4)	29.68	—

(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: Third Quarter	96,826	36,782	37.6	1,109.62
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 Third Quarter: 36,438 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	63,700	-8.2	-650	―	-1,000	―	-1,700	―	-51.77

(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 6 (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 Third 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 Third Quarter: 34,022 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 Third Quarter: 32,839,224 shares
Fiscal Year Ended October 31, 2008 Third Quarter: 32,845,180 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 July 31, 2009)

During the Kanamoto Group's first and second quarters, the earnings environment in Japan deteriorated rapidly in the wake of the global recession. Government economic stimulus measures began gradually producing results as the economy entered the third quarter, however, and signs of an upturn, centered on leading consumer goods-related firms, began to appear. Nevertheless, as demonstrated by trends such as the swelling number of bankruptcies in every manufacturing region among small and medium-sized downstream firms, which have reached new record highs with each passing month, and the rising unemployment rate, this has failed to translate into improvement in the management environment.

< Third Quarter Year-to-Date Operating Results > (From November 1, 2008 to July 31, 2009)

In the construction industry, which is the main customer of the Kanamoto Group, the construction market remained in a contraction phase because of the slump in private sector capital investment. Economic measures by the government, however, including orders for public works that were pulled forward from future periods, are gradually proving effective despite differences among regions.

The Kanamoto Group strove to strengthen its sales efforts, and in each region was able to expand its share of the construction equipment rental business. Because construction equipment rentals continued to suffer from declining unit prices across a wide range of equipment, however, particularly on models for which the supply-demand balance has collapsed, this did not result in a perceptible recovery in earnings. The fall in earnings was particularly sharp at affiliated companies that are developing businesses in areas that were pummeled directly by the effects of the cutback in private sector demand.

At the same time, in light of conditions in the used construction equipment market and the foreign exchange rate trend, Kanamoto as a management policy has limited the volume of used equipment sold in foreign markets since the beginning of the current fiscal year. Consequently, overseas sales of used construction equipment were not sufficient to offset the decline in domestic revenues and earnings.

As a result of the above factors, consolidated revenues through the third quarter of the Business Period ending in October 2009 were ¥47,258 million. From the standpoint of earnings, the absolute decrease in construction demand, the failure of rental revenue to grow because of the downward slide in rental unit prices and the weakening of the rental cost depletion effect produced a consolidated operating loss of ¥299 million and a consolidated ordinary loss of ¥544 million, and the Company reported its first operating loss since being established. The valuation loss on investment securities was lower than previously projected, and as a final loss, the Company posted a consolidated net loss for the first three quarters of ¥858 million.

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, consolidated revenues from construction equipment rentals in the third quarter under review increased 11.9% from the same period of the prior consolidated fiscal year in the Hokkaido Region, decreased 7.8% year-on-year in the Tohoku Region and slipped 1.9% year-on-year in the Kanto district. Revenues also fell 18.5% from the same period one year earlier in the Kinki & Chubu Region, and declined 9.8% year-on-year in the Kyushu & Okinawa Region. For the nine months year-to-date, consolidated revenues fell 3.2% from the same period of the prior consolidated fiscal year in the Hokkaido Region, decreased 8.5% year-on-year in the Tohoku Region, rose 1.4% year-on-year in the Kanto District, fell 10.5% compared with the same period one year earlier in the Kinki & Chubu Region and were off 3.3% year-on-year in the Kyushu & Okinawa Region. During the third quarter, the Hokkaido Region gradually benefitted from the effects of the government's economic measures, but these were not sufficient to spur a recovery from the slump during the first half. In the Tohoku Region, no improvement was evident in either public demand or private demand, and while the size of the decline compared with the change in industry net sales in the same region was smaller, demand still fell substantially below the level in the same period of the prior year. The effect of the decrease in private sector demand was significant in the Kanto Region as well, but thanks to support from large-scale projects such as the Tokyo International Airport (Haneda) Re-expansion Project, and the synergistic effects from group marketing and sales, total revenues exhibited a small amount of growth compared with the same period of the prior consolidated fiscal year. The Kinki & Chubu Region was unable to absorb the significant decline in private sector demand in the Tokai Region and Kobe Region. In the Kyushu & Okinawa Region, the rapid decline in private sector works in Fukuoka Prefecture and cutbacks in public works in Kagoshima Prefecture continued.

In addition, revenues from sales of used construction equipment by the Construction Equipment Rental Division for the consolidated third quarter year-to-date period fell 28.2% from the same period of the prior consolidated fiscal year. Although domestic sales rose significantly in the Kanto Region, the Company limited the number of units of used equipment sold in other regions and overseas.

As a result of these factors, in the construction-related businesses of the entire Kanamoto Group, revenues for the first three quarters of the consolidated fiscal year were ¥42,650 million, and the operating loss was ¥299 million.

< Business related to the Steel Sales Division >

In the steel products sales business, sales of steel materials for engineering works expanded greatly as a result of concentrating on orders for large-scale projects, despite lower market unit prices and a drop in demand. Total revenues for the third quarter increased 12.3% compared with the same period of the prior consolidated fiscal year, while revenues for the nine months year-to-date rose slightly, increasing 1.1% compared with the same period of the prior consolidated fiscal year.

As a result, for the first three quarters of the consolidated fiscal year, revenues were ¥4,266 million and operating income was ¥17 million.

< Information Products Division-related businesses and other business >

In the Company's information and telecommunications-related division, sales of used equipment expanded during the third quarter, while PC rentals remained at a low level, despite signs of improvement compared with the first and second quarters, as customers continued to reduce spending. As a result, revenues for the first three quarters of the consolidated fiscal year under review declined 14.4% compared with the same period of the prior consolidated fiscal year to ¥340 million. Operating income for the first three quarters of the consolidated fiscal year was ¥26 million.

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

During the third quarter under review, the Company established the Osaka Chuo Branch (Konohana Ward, Osaka) and closed the Osaka North Port Equipment Center (Konohana Ward, Osaka) and the Asahikawa Ichijo-dori Higashi Branch (Asahikawa City, Hokkaido). The Company also established KANAMOTO (HK) CO., LTD., a wholly-owned affiliate in Hong Kong that is not included in the scope of consolidation.

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 third quarter consolidated accounting period under review increased by ¥5,084 million to ¥96,826 million. This change was mainly an increase in rental equipment assets of ¥5,508 million and an increase in buildings and structures of ¥1,867 million, and a decrease in notes and accounts receivable of ¥2,050 million in conjunction with the collection of accounts receivable, trade.

Total liabilities were ¥60,043 million, an increase of ¥6,504 million compared with the end of prior consolidated accounting fiscal year. This was largely an increase in long-term bank loans of ¥4,973 million, compared with the end of prior consolidated accounting fiscal year, including long-term bank loans due within one year, and higher long-term accrued expenses, which increased ¥2,143 million compared with the end of prior consolidated accounting fiscal year.

Total net assets were ¥36,782 million, ¥1,419 million lower than at the end of prior consolidated accounting fiscal year. This was primarily a decrease in earned surplus of ¥1,514 million, and mainly reflected the third quarter year-to-date net loss of ¥858 million and dividends from surplus.

(2) Cash flows

Cash flow from operating activities for the third quarter year-to-date was ¥802 million, a decrease of ¥2,454 million compared with the first three quarters of the prior consolidated accounting fiscal year. This decrease mainly reflected the net loss before taxes and adjustments for the first three quarters of the consolidated fiscal year. Cash flow was provided by a decrease in accounts receivable, trade, and cash was used to reduce accounts payable, trade.

Cash flow used in investing activities was ¥3,011 million, ¥962 million less than in the first three quarters of the prior consolidated fiscal year. The main factors affecting cash used in investing activities were a decrease in funds used for the purchase of tangible fixed assets and an increase in funds used for the purchase of investment securities.

Cash flow from financing activities was ¥1,145 million, ¥903 million less than in the first three quarters of the prior consolidated fiscal year. Factors that reduced the cash flow available from financing included an increase in funds used to repay long-term bank loans and a high amount of 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 third quarter under review was ¥16,527 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 equivalents decreased by ¥1,039 million compared with the end of the prior consolidated accounting fiscal year.

3. Qualitative information concerning projected consolidated operating results

Kanamoto previously announced its projected consolidated operating results in the press release “Notification Concerning Revision of Projected Full-Year Operating Results for the Business Period Ending October 2009” dated Friday, August 28, 2009.

The Company is not contemplating a revision of its year-end dividend at this time. There is a possibility the Company will revise the dividend sometime in the future, however, depending upon the future change in 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. 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 ¥53 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
(Lessee 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 July 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 ¥1,660 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 July 31, 2009	As of October 31,2008
Assets		
Current assets		
Cash and deposits	12,763,238	14,070,345
Notes and accounts receivable-trade	13,246,998	15,297,757
Short-term investment securities	3,850,000	3,700,000
Costs on uncompleted construction contracts	46,284	147,054
Merchandise and finished goods	679,063	662,924
Raw materials and supplies	142,611	146,343
construction machine parts	959,775	874,680
Deferred tax assets	381,951	256,893
Other	1,096,855	927,446
Allowance for doubtful accounts	-435,816	-526,414
Total current assets	32,730,962	35,557,032
Noncurrent assets		
Property, plant and equipment		
rental equipment	53,288,926	43,694,544
accumulated depreciation	-35,522,931	-31,437,026
rental equipment, net	17,765,994	12,257,517
Buildings and structures	20,877,458	17,869,527
Accumulated depreciation	-12,108,982	-10,968,596
Buildings and structures, net	8,768,475	6,900,931
Machinery, equipment and vehicles	5,199,414	4,622,991
Accumulated depreciation	-4,261,837	-3,854,409
Machinery, equipment and vehicles, net	937,577	768,582
Land	29,446,265	29,075,816
Construction in progress	35,723	683,294
Other	1,333,720	1,163,486
Accumulated depreciation	-1,013,800	-930,597
Other, net	319,920	232,889
Total property, plant and equipment	57,273,958	49,919,031
Intangible assets		
Goodwill	593,753	557,260
Other	323,722	170,056
Total intangible assets	917,475	727,316
Investments and other assets		
Investment securities	3,145,963	2,847,982
Deferred tax assets	1,208,936	1,054,883
Other	2,689,441	2,552,794
Allowance for doubtful accounts	-1,140,702	-917,742
Total investments and other assets	5,903,638	5,537,917
Total noncurrent assets	64,095,072	56,184,266
Total assets	96,826,035	91,741,299

(Unit: Thousands of yen)

	As of July 31, 2009	As of October 31,2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,486,382	12,878,993
Short-term loans payable	1,383,256	338,521
Current portion of long-term loans payable	10,924,026	9,599,494
Current portion of bonds	42,000	62,000
Income taxes payable	29,711	149,932
Provision for bonuses	207,769	549,981
Accounts payable-other	3,699,082	3,325,933
Other	1,265,970	1,490,017
Total current liabilities	29,038,198	28,394,874
Noncurrent liabilities		
Bonds payable	44,000	86,000
Long-term loans payable	23,028,796	19,379,661
Provision for retirement benefits	1,257,741	1,080,005
Provision for directors' retirement benefits	181,234	174,824
Long-term accounts payable-other	6,078,456	3,935,016
Other	415,001	488,612
Total noncurrent liabilities	31,005,231	25,144,119
Total liabilities	60,043,429	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	15,635,125	17,149,945
Treasury stock	-23,770	-22,729
Total shareholders' equity	36,268,942	37,784,803
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	169,099	162,358
Total valuation and translation adjustments	169,099	162,358
Minority interests	344,563	255,143
Total net assets	36,782,605	38,202,305
Total liabilities and net assets	96,826,035	91,741,299

(2)Consolidated Quarterly Statement of Income

	(Unit: Thousands of yen)
	9 months FY2009 (November 1, 2008 -July 31, 2009)
Net sales	47,258,092
Cost of sales	34,976,723
Gross profit	12,281,368
Selling, general and administrative expenses	12,580,792
Operating income	-299,423
Non-operating income	
Interest income	33,878
Dividends income	40,029
Insurance income	29,878
Rent income	35,614
A receipt bonus	4,450
Amortization of negative goodwill	52,374
Other	92,808
Total non-operating income	289,034
Non-operating expenses	
Interest expenses	327,650
Loss on sales of notes receivable	45,236
Other	160,874
Total non-operating expenses	533,761
Ordinary income	-544,150
Extraordinary income	
Reversal of allowance for doubtful accounts	22,057
Reversal of provision for retirement benefits	17,332
Other	11,875
Total extraordinary income	51,265
Extraordinary loss	
Loss on sales and retirement of noncurrent assets	47,940
Impairment loss	312
Loss on valuation of investment securities	288,378
Other	41,277
Total extraordinary losses	377,907
Income before income taxes and minority interests	-870,793
Income taxes-current	197,765
Income taxes-deferred	-282,656
Total income taxes	-84,891
Minority interests in income	72,121
Net loss	-858,023

(3) Consolidated Quarterly Statements of Cash Flows

(Unit: Thousands of yen)

	9 months FY2009 (November 1, 2008 -July 31, 2009)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	-870,793
Depreciation and amortization	3,574,528
Impairment loss	312
Amortization of goodwill	135,326
Loss on sales and retirement of noncurrent assets	47,940
The amount of assets buy on the installment plan purchase for small rentals	24,714
The amount of cost price transfer with the construction machine parts sale	16,436
The amount of cost price transfer with asset sell-off for rentals	590,695
Expenditure by the assets acquisition for rentals	-2,839,317
Loss on valuation of investment securities	288,378
Loss on sales of investment securities	2,086
Increase in allowance for doubtful accounts	72,073
Decrease in provision for bonuses	-354,212
Increase in provision for retirement benefits	102,906
Decrease in provision for directors' retirement benefits	-1,651
Interest and dividends income	-73,908
Assets buy on the installment plan purchase payment interest for rentals	120,900
Interest expenses	327,650
Decrease in notes and accounts receivable-trade	2,641,234
Decrease in inventories	101,946
Decrease in notes and accounts payable-trade	-2,112,666
Increase in accounts payable-other	165,693
Other, net	-128,851
Subtotal	1,831,422
Interest and dividends income received	76,136
Interest expenses paid	-474,846
Income taxes paid	-630,607
Net cash provided by (used in) operating activities	802,105
Net cash provided by (used in) investment activities	
Funds used for investment in term deposits	-9,228
Proceeds from withdrawal of time deposits	127,136
Purchase of property, plant and equipment	-2,234,261
Proceeds from sales of property, plant and equipment	37,000
Purchase of intangible assets	-141,864
Purchase of investment securities	-538,916
Proceeds from sales of investment securities	52,849
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-199,304
Purchase of investments in subsidiaries	-46,000
Payments for Establishment of Subdiaries	-52,339
Other, net	-6,146
Net cash provided by (used in) investment activities	-3,011,075

	(Unit: Thousands of yen) 9 months FY2009 (November 1, 2008 -July 31, 2009)
Net cash provided by (used in) financing activities	
Net increase in short-term loans payable	152,734
Proceeds from long-term loans payable	12,300,000
Repayment of long-term loans payable	-8,230,583
Redemption of bonds	-62,000
Repayments of installment payables	-2,388,641
Purchase of treasury stock	-1,041
Cash dividends paid	-625,327
Net cash provided by (used in) financing activities	1,145,140
Net increase in cash and cash equivalents	-1,063,829
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	16,527,496

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 July 31, 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	42,650,581	4,266,700	340,810	47,258,092	—	47,258,092
(2)Intersegment revenue	—	—	—	—	—	—
Total	42,650,581	4,266,700	340,810	47,258,092	—	47,258,092
Operating income	-299,402	17,556	26,276	-255,570	-43,852	-299,423

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 ¥53,233 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 ¥1,660,568 thousands compared with what it otherwise would have been had the accounting standard used in past periods been applied.

[Segment information by location]
Third quarter consolidated year-to-date (from November 1, 2008 to July 31, 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]
Third quarter consolidated year-to-date (from November 1, 2008 to July 31, 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 9 months FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
I Revenues	53,668,788
II Cost of revenues from operations	39,296,596
Gross profit	14,372,192
III Selling, general and administrative expenses	12,080,613
Operating income	2,291,578
IV Non-operating revenues	
1. Interest revenue	44,805
2. Dividend income	67,904
3. Insurance benefits	50,900
4. Rents received	59,483
5. Cash bonus received	5,890
6. Other	94,397
Total non-operating revenues	323,381
V Non-operating expenses	
1. Interest expense	267,411
2. Loss on sale of notes receivable	60,666
3. Valuation loss on investment securities	477
4. Other	98,028
Total non-operating expenses	426,583
Ordinary income	2,188,376
VI Extraordinary profits	
1. Gain on sale of fixed assets	21,805
2. Gain on reversal of allowance for doubtful accounts	267,411
3. Other	5,341
Total extraordinary profits	53,480
VII Extraordinary losses	
1. Loss on sale or retirement of fixed assets	50,493
2. Impairment loss	490
3. Valuation loss on investment securities	42,231
4. Other	74,517
Total extraordinary losses	167,733
Income before taxes and adjustments	2,074,123
Corporate, local and business taxes	874,391
Adjustment for corporate and other taxes	140,322
Minority interest in income	84,730
Net income	974,679

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

(Unit: Thousands of yen)

Item \ Period	Prior FY Quarter 9 months FY Quarter (Third Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
I Cash flow from operating activities	
Income before taxes and adjustments	2,074,123
Depreciation and amortization expense	3,977,407
Impairment loss	490
Amortization of goodwill	190,923
Gain on sale of fixed assets	-21,805
Loss on sale or retirement of fixed assets	50,493
Installment purchases of assets for small-value rentals	44,678
Reclassification of cost of sales associated with disposal of construction equipment	3,882
Reclassification of cost of sales associated with disposal of rental assets	444,210
Expenditures for acquisition of rental assets	-2,054,619
Valuation loss on investment securities	42,231
Loss on sale of investment securities	477
Increase in allowance for doubtful accounts	146,504
Decrease in accrued bonuses to employees	-332,460
Increase in accrued employees retirement benefits	56,917
Increase in retirement allowances to directors and auditors	33,761
Interest revenue and dividend income	-112,709
Interest expense on installment purchases of rental assets	73,536
Interest expense	267,411
Decrease in accounts receivable, trade	1,504,836
Increase in inventory assets	-291,330
Increase in accounts payable, trade	538,529
Increase in accounts payable, other	-15,162
Other	-895,630
Subtotal	5,726,694
Interest and dividends received	112,982
Interest expense	-357,350
Payment of corporate and other taxes	-2,225,334
Cash flow from operating activities	3,256,991

(Unit: Thousands of yen)

Item \ Period	Prior FY Quarter 9 months FY Quarter (Third 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	-52,098
Funds provided from redemption of term deposits	148,357
Funds used for the purchase of tangible fixed assets	-3,246,784
Funds provided from the sale of tangible fixed assets	159,810
Funds used for the purchase of intangible fixed assets	-54,768
Funds used for the purchase of investment securities	-91,809
Funds provided from sell of investment securities	44,771
Funds used for the purchase of consolidated subsidiary stock	-62,664
Funds used for the purchase of non-consolidated subsidiary stock	-726,221
Funds used for establishment of affiliated company	-100,000
Other	8,028
Cash flow from investing activities	-3,973,378
III Cash flow from financing activities	
Increase in short-term bank loans	38,123
Funds provided by long-term bank loans	12,160,000
Funds used to repay long-term bank loans	-7,555,523
Funds used for redemption of bonds	-40,000
Funds used for repayment of installment obligations	-1,863,035
Funds used for the purchase of treasury stock	-1,585
Payment of dividends to parent company	-689,760
Cash flow from financing activities	2,048,219
IV Increase in cash and equivalents	1,331,832
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	19,226,063

(3)Business Segment Information

[Segment information by type of business]

9 months FY2008 (From November 1, 2007 to July 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	48,272,484	4,998,299	398,004	53,668,788	—	53,668,788
Operating expenses	46,036,822	4,972,650	341,927	51,351,400	25,809	51,377,210
Operating income	2,235,661	25,649	56,076	2,317,388	-25,809	2,291,578

[Segment information by location]

Third quarter consolidated year-to-date (From November 1, 2007 to July 31, 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]

Third quarter consolidated year-to-date (From November 1, 2007 to July 31, 2008)

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