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

March 12, 2009

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

(November 1, 2008 - January 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: First Quarter	17,441	-	669	-	607	-
Fiscal Year Ended October 31, 2008: First Quarter	18,375	(-2.5)	1,016	(-53.2)	974	(-53.9)

	Net income		Net Income per Share	Diluted Net Income per Share
	Millions of yen	%	Yen	Yen
Fiscal Year Ending October 31, 2009: First Quarter	-105	-	-3.20	—
Fiscal Year Ended October 31, 2008: First Quarter	499	(-69.2)	15.20	—

(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: First Quarter	98,819	37,728	37.9	1,139.45
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 First Quarter: 37,418 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	-	——	——	——	——
Fiscal Year ending October 31,2009 (Projected)	——	10.00	-	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
Interim period	32,300	-	780	-	580	-	-130	-	-3.96
Full year	63,900	-7.9	510	-77.1	90	-95.6	-800	-	-24.36

(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? : Yes
(Note) For details, see "4. Other matters" on Page 5 (Qualitative information and financial statements).

(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 First 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 First Quarter: 33,128 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 First Quarter: 32,840,650 shares
Fiscal Year Ended October 31, 2008: 32,844,319 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 January 31, 2009)

During the Company's first quarter, Japan's economy was battered by the aftereffects of the simultaneous slowdown of the global economy since last autumn. As the earnings environment for export industries deteriorated rapidly because of the sharp appreciation of the yen, the effects rippled through the entire manufacturing sector. The sense of deepening recession spread further as concerns over job insecurity, heightened by so-called dispatch worker layoffs centered on manufacturing, and the continuing drop in personal consumption, were added to a political situation that remained unsettled and the government's failure to boost public spending to spur an economic recovery.

Amidst this environment, the construction industry, which is the main customer of the Kanamoto Group (Kanamoto and its consolidated subsidiaries), witnessed construction demand shrink at an accelerating pace from November, as the volume of domestic construction orders fell 11.3% from the same period of the previous year in November, 21.6% year-on-year in December and 34.9% year-on-year in January (Japan Federation of Construction Contractors survey). Among construction-related firms, corporate bankruptcies reached the highest level in Japan's history.

< First Quarter Operating Results > (From November 1, 2008 to January 31, 2009)

Despite efforts to strengthen its business base, operating results for the Kanamoto Group fell below the Company's business plan from the start of the business period because of the extremely severe operating climate confronting the construction industry. Although the Company expanded its market share in each region in the first quarter in terms of construction equipment rental orders, revenues fell significantly below the Company's initial plan because of the absolute decline in construction demand and the downward trend in rental prices throughout Japan. In addition, for sales of used construction equipment, the Company adopted an initial plan that envisioned constrained sales volume, and revenues and earnings from overseas sales of used equipment were lower because sales were restricted to the number of units in the Company's initial plan, and because of the slump in the used construction equipment market that resulted from the global economic slowdown.

As a result of these factors, consolidated revenues for the first quarter of the Business Period ending October 2009 were ¥17,441 million.

From an earnings perspective, operating results were affected directly by the decline in construction equipment rental revenue, and fell sharply compared with the first quarter of the previous consolidated accounting fiscal year. Consolidated operating income was ¥669 million, and consolidated ordinary income was ¥607 million. The Company also reported a valuation loss on negotiable securities for an asset impairment write-off for the first quarter of ¥484 million for negotiable securities affected by sharp declines in market prices. As a result, the Company reported a disappointing first quarter consolidated net loss of ¥105 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]

Despite being able to increase its regional market share in both the Hokkaido Region and Tohoku Region, there was no change in the downward market trend in both regions because of cutbacks in public works. Private sector capital investment as well in both regions was frozen because of the deterioration in business conditions. As a result, construction equipment rental revenues by region decreased 4.9% from the same period of the previous consolidated accounting fiscal year in the Hokkaido Region, and fell 7.0% year-on-year in the Tohoku Region. In the Kanto Region, revenues expanded 5.0% from the same period one year earlier, as a result of large-scale works such as the Tokyo International Airport (Haneda) expansion project and the synergistic effects from operations with Toyo Industry Co., Ltd., which was added to the Company's subsidiaries subject to consolidation. In the Kinki & Chubu Region, demand remained flat, and Aichi Prefecture, which until now had enjoyed a robust economy, joined Hyogo Prefecture as a cause of slowing demand. Revenues in the region slipped 4.3% year-on-year.

In the Kyushu Region, revenues exhibited steady expansion in northern Kyushu, but demand in southern Kyushu slumped and caused revenues for the region as a whole to shrink 8.9% from the same period of the previous consolidated accounting fiscal year. As a result of these factors, rental revenues in this business sector for the first quarter of the consolidated accounting fiscal year decreased 3.8% from the same period one year earlier.

Revenues from sales for the first quarter of the consolidated accounting fiscal year in this business sector fell 8.3% year-on-year. The main reason was a drop in sales of parts, grease and oil, and lower sales of used equipment overseas as stated above.

As a result of these factors, in the construction-related businesses of the entire Kanamoto Group revenues for the first quarter of the consolidated accounting fiscal year were ¥16,274 million, and operating income was ¥671 million.

[Business related to the Steel Sales Division]
In the Company's steel products sales business, construction demand in the Doo Block could not be sustained, and unit prices suffered as well. Revenues for the first quarter of the consolidated accounting fiscal year were ¥1,052 million, and operating income was ¥3 million.

[Business related to the Information Products Division and other business]
In the Company's information and telecommunications-related division, revenues from both rentals and used equipment sales were lower because of the general trend in spending cutbacks by customers. Revenues for the first quarter of the consolidated accounting fiscal year were ¥113 million, and operating income was ¥7 million.

[Business development issues deserving special mention and status of branch office changes]
(1) During the first quarter of the consolidated accounting fiscal year, Kanamoto opened its new Tsugaru Dam Branch (Nishimeya-mura, Nakatsugaru-gun, Aomori Prefecture), Soma Branch (Shinchi Town, Soma-gun, Fukushima Prefecture) and Yaita Branch (Sakura City, Tochigi Prefecture) in November. The Company did not close any branches during the quarter. In addition, during the quarter the Company made Toyo Industry Co., Ltd. (Head Office: Taito Ward, Tokyo) a consolidated subsidiary.

(2) The Company took the lead over other firms and expanded rentals of new energy-saving, recyclable rental equipment, including hybrid trucks, LED-type night lighting and reflector LED lamps.

(3) Shanghai Jinheyuan Equipment Rental Co., Ltd. (Head Office: Shanghai, People's Republic of China, a non-consolidated subsidiary), which is developing a construction equipment rental business in China, closed the books on its first full year of operations. The recently established company achieved operating results that exceeded initial expectations.

2. Qualitative information concerning consolidated financial position

(1) Assets, liabilities and net assets
Compared with the end of the previous consolidated accounting fiscal year, total assets at the end of the first quarter under review increased by ¥7,078 million to ¥98,819 million. This mainly reflected an increase in rental equipment of ¥4,279 million.
Total liabilities increased by ¥7,551 million compared with the end of the previous consolidated accounting fiscal year to ¥61,090 million. This was mainly the result of an increase in funds provided by long-term bank loans of ¥2,743 million.
Total net assets were ¥37,728 million, a decrease of ¥473 million compared with the end of the previous consolidated accounting fiscal year. This mainly reflected a decrease of ¥433 million in earned surplus.

(2) Cash flows
Cash flow from operating activities was ¥2,697 million. Cash was generated mainly from depreciation and amortization expense of ¥1,077 million and a decrease in accounts receivable, trade of ¥719 million.
Cash flow used for investing activities was ¥1,359 million. This mainly reflected ¥1,268 million of funds used for the purchase of tangible fixed assets.
Cash flow from financing activities was ¥2,137 million. This mainly reflected ¥6,000 million of funds provided by long-term bank loans.
As a result of the above, the balance of cash and cash equivalents at the end of the first quarter consolidated accounting period under review was ¥21,066 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 ¥3,500 million compared with the end of maturity the previous consolidated accounting fiscal year.

3. Qualitative information concerning projected consolidated operating results

The 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 previously released its projected operating results in the press release "Notification Concerning Valuation Loss on Negotiable Securities for the First Quarter of the Business Period Ending October 2009" dated Monday, February 23, 2009 and the press release "Notification Concerning Revision of Interim Period Operating Results and Projected Full-Year Operating Results for the Business Period Ending October 2009" dated Monday, March 9, 2009, respectively.)
Although the Company is not at the present time studying any change to its interim dividend and year-end dividend based on this revision of its operating results forecast, there is a possibility the Company could revise the dividend based on future changes in its operating results. 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
Simplified accounting method
Appraisal methods for inventory assets
The appraisal value of inventories at the end of the first quarter under review has been calculated using a reasonable method based on physical inventories at the end of the previous consolidated accounting fiscal year, rather than physical inventories at the end of the quarter under review.

(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 ¥16 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 ¥588 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 January 31, 2009	As of October 31,2008
Assets		
Current assets		
Cash and deposits	16,298,381	14,070,345
Notes and accounts receivable-trade	14,578,186	15,297,757
Short-term investment securities	4,850,000	3,700,000
Costs on uncompleted construction contracts	201,705	147,054
Merchandise and finished goods	546,138	662,924
Raw materials and supplies	131,870	146,343
construction machine parts	889,183	874,680
Income taxes receivable	540	110,491
Consumption taxes receivable	41,883	282,196
Deferred tax assets	162,884	256,893
Other	646,313	534,758
Allowance for doubtful accounts	-562,183	-526,414
Total current assets	37,784,906	35,557,032
Noncurrent assets		
Property, plant and equipment		
rental equipment	48,463,671	43,694,544
accumulated depreciation	-31,926,693	-31,437,026
rental equipment, net	16,536,978	12,257,517
Buildings and structures	18,475,425	17,869,527
Accumulated depreciation	-11,245,936	-10,968,596
Buildings and structures, net	7,229,489	6,900,931
Machinery, equipment and vehicles	4,770,014	4,622,991
Accumulated depreciation	-3,957,341	-3,854,409
Machinery, equipment and vehicles, net	812,673	768,582
Land	29,179,148	29,075,816
Construction in progress	1,127,902	683,294
Other	1,189,866	1,163,486
Accumulated depreciation	-948,430	-930,597
Other, net	241,436	232,889
Total property, plant and equipment	55,127,628	49,919,031
Intangible assets		
Goodwill	514,602	557,260
Other	202,997	170,056
Total intangible assets	717,600	727,316
Investments and other assets		
Investment securities	2,389,290	2,847,982
Deferred tax assets	1,268,640	1,054,883
Other	2,537,865	2,552,794
Allowance for doubtful accounts	-1,006,399	-917,742
Total investments and other assets	5,189,396	5,537,917
Total noncurrent assets	61,034,625	56,184,266
Total assets	98,819,531	91,741,299

(Unit: Thousands of yen)

	As of January 31, 2009	As of October 31,2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,120,529	12,878,993
Short-term loans payable	455,929	338,521
Current portion of long-term loans payable	10,226,030	9,599,494
Current portion of bonds	62,000	62,000
Income taxes payable	230,376	149,932
Provision for bonuses	238,828	549,981
Accounts payable-other	3,944,534	3,325,933
Other	1,659,080	1,490,017
Total current liabilities	30,937,308	28,394,874
Noncurrent liabilities		
Bonds payable	55,000	86,000
Long-term loans payable	22,123,392	19,379,661
Provision for retirement benefits	1,119,107	1,080,005
Provision for directors' retirement benefits	188,228	174,824
Long-term accounts payable-other	6,212,587	3,935,016
Other	455,138	488,612
Total noncurrent liabilities	30,153,453	25,144,119
Total liabilities	61,090,762	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	16,716,371	17,149,945
Treasury stock	-23,475	-22,729
Total shareholders' equity	37,350,483	37,784,803
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	67,955	162,358
Total valuation and translation adjustments	67,955	162,358
Minority interests	310,331	255,143
Total net assets	37,728,769	38,202,305
Total liabilities and net assets	98,819,531	91,741,299

(2)Consolidated Quarterly Balance Sheets

(Unit: Thousands of yen)

	3 months FY2009 (November 1, 2008 -January 31, 2009)
Net sales	17,441,366
Cost of sales	12,417,428
Gross profit	5,023,938
Selling, general and administrative expenses	4,354,480
Operating income	669,457
Non-operating income	
Interest income	9,482
Dividends income	7,794
Insurance income	13,106
Rent income	11,532
A receipt bonus	233
Other	27,554
Amortization of negative goodwill	17,458
Total non-operating income	87,164
Non-operating expenses	
Interest expenses	93,183
Loss on sales of notes payable	19,664
Other	35,970
Total non-operating expenses	148,818
Ordinary income	607,803
Extraordinary income	
Reversal of allowance for doubtful accounts	3,117
Reversal of provision for retirement benefits	16,816
Other	2,363
Total extraordinary income	22,297
Extraordinary loss	
Loss on sales and retirement of noncurrent assets	2,936
Impairment loss	312
Loss on valuation of investment securities	484,378
Other	36,029
Total extraordinary losses	523,655
Income before income taxes and minority interests	106,445
Income taxes-current	212,174
Income taxes-deferred	-55,756
Total income taxes	156,417
Minority interests in income	55,187
Net income	-105,160

(3) Consolidated quarterly statements of cash flows

(Unit: Thousands of yen)

	3 months FY2009 (November 1, 2008 -January 31, 2009)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	106,445
Depreciation and amortization	1,077,108
Impairment loss	312
Amortization of goodwill	42,657
Loss (gain) on sales and retirement of noncurrent assets	2,936
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	4,499
The amount of cost price transfer with asset sell-off for rentals	45,182
Expenditure by the assets acquisition for rentals	-1,631,391
Loss (gain) on valuation of investment securities	484,378
Increase (decrease) in allowance for doubtful accounts	124,426
Increase (decrease) in provision for bonuses	-311,153
Increase (decrease) in provision for retirement benefits	39,101
Increase (decrease) in provision for directors' retirement benefits	13,404
Interest and dividends income	-17,277
Assets buy on the installment plan purchase payment interest for rentals	33,877
Interest expenses	87,688
Decrease (increase) in notes and accounts receivable-trade	719,571
Decrease (increase) in inventories	76,606
Increase (decrease) in notes and accounts payable-trade	444,599
Increase (decrease) in accounts payable-other	405,360
Other, net	1,078,428
Subtotal	2,844,401
Interest and dividends income received	16,690
Interest expenses paid	-141,732
Income taxes paid	-21,778
Net cash provided by (used in) operating activities	2,697,580
Net cash provided by (used in) investment activities	
Proceeds from withdrawal of time deposits	122,129
Purchase of property, plant and equipment	-1,268,239
Proceeds from sales of property, plant and equipment	10,076
Purchase of intangible assets	-8,988
Purchase of investment securities	-197,114
Purchase of investments in subsidiaries	-18,000
Other, net	760
Net cash provided by (used in) investment activities	-1,359,374

(Unit: Thousands of yen)

	3 months FY2009 (November 1, 2008 -January 31, 2009)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	117,407
Proceeds from long-term loans payable	6,000,000
Repayment of long-term loans payable	-2,629,733
Redemption of bonds	-31,000
Repayments of installment payables	-990,183
Purchase of treasury stock	-746
Cash dividends paid	-328,413
Net cash provided by (used in) financing activities	2,137,330
Net increase (decrease) in cash and cash equivalents	3,475,536
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	21,066,861

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 January 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	16,274,824	1,052,950	113,591	17,441,366	-	17,441,366
(2)Intersegment revenue	-	-	-	-	-	-
Total	16,274,824	1,052,950	113,591	17,441,366	-	17,441,366
Operating income	671,150	3,647	7,639	682,437	-12,980	669,457

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 ¥16,126,000 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 ¥588,137,000 compared with what it otherwise would have been had the accounting standard used in past periods been applied.

[Segment information by location]
First quarter consolidated year-to-date (from November 1, 2008 to January 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]

First quarter consolidated year-to-date (from November 1, 2008 to January 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 3 months FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
I Revenues	18,375,372
II Cost of revenues from operations	12,807,517
Gross profit	5,567,854
III Selling, general and administrative expenses	4,551,370
Operating income	1,016,484
IV Non-operating revenues	
1.Interest revenue	10,760
2.Dividend income	17,436
3.Gain on sale of investment securities	—
4.Insurance benefits	9,432
5.Rents received	19,702
6.Cash bonus received	266
7.Other	34,408
Total non-operating revenues	92,007
V Non-operating expenses	
1. Interest expense	80,694
2. Loss on sale of notes receivable	22,390
3.Other	30,801
Total non-operating expenses	133,886
Ordinary income	974,605
VI Extraordinary profits	
1.Gain on sale of fixed assets	16,261
2.Gain on reversal of allowance for doubtful accounts	19,654
3.Other	681
Total extraordinary profits	36,597
VII Extraordinary losses	
1.Loss on sale or retirement of fixed assets	17,308
2.Impairment loss	490
3.Valuation loss on investment securities	5,873
4.Other	21,688
Total extraordinary losses	45,360
Income before taxes and adjustments	965,842
Corporate, local and business taxes	400,836
Adjustment for corporate and other taxes	46,150
Minority interest in income	19,611
Net income	499,243

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

(Unit: Thousands of yen)

Item / Period	Prior FY Quarter 3 months FY Quarter (First Quarter of the Consolidated Accounting Fiscal Year Ended October 31, 2008)
	Amount
Ⅰ Cash flow from operating activities	
Income before taxes and adjustments	965,842
Depreciation and amortization expense	1,196,652
Impairment loss	490
Amortization of goodwill	63,624
Gain on sale of fixed assets	-16,261
Loss on sale or retirement of fixed assets	17,308
Gain on reversal of accrued employees retirement benefits	—
Installment purchases of assets for small-value rentals	41,258
Reclassification of cost of sales associated with disposal of construction equipment	1,467
Reclassification of cost of sales associated with disposal of rental assets	61,463
Expenditures for acquisition of rental assets	-394,441
Valuation loss on investment securities	5,873
Gain on sale of investment securities	—
Loss on sale of investment securities	1,317
Increase in allowance for doubtful accounts	73,807
Increase in accrued bonuses to employees	181,644
Decrease in accrued bonuses to directors and auditors	—
Increase in accrued employees retirement benefits	19,793
Increase in retirement allowances to directors and auditors	6,448
Interest revenue and dividend income	-26,887
Interest expense on installment purchases of rental assets	24,196
Interest expense	80,694
Decrease in accounts receivable, trade	96,396
Increase (decrease) in inventory assets	112,667
Increase (decrease) in accounts payable, trade	602,257
Decrease in accounts payable, other	-91,640
Other	-946,488
Subtotal	2,077,484
Interest and dividends received	27,378
Interest expense	-101,587
Payment of corporate and other taxes	-1,431,135
Cash flow from operating activities	572,139

(Unit: Thousands of yen)

Item / Period	Prior FY Quarter 3 months FY Quarter (First 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	-15,179
Funds provided from redemption of term deposits	8,400
Funds used for the purchase of tangible fixed assets	-504,428
Funds provided from the sale of tangible fixed assets	128,035
Funds used for the purchase of intangible fixed assets	-7,250
Funds used for the purchase of investment securities	-8,240
Funds provided from sale of investment securities	18,042
Funds used for the purchase of consolidated subsidiary stock	—
Funds used for the purchase of non-consolidated subsidiary stock	-29,581
Funds used for establishment of affiliated company	—
Other	-10
Cash flow from investing activities	-410,213
III Cash flow from financing activities	
Increase (decrease) in short-term bank loans	-67,177
Funds provided by long-term bank loans	3,640,000
Funds used to repay long-term bank loans	-2,679,594
Funds used for redemption of bonds	-20,000
Funds used for repayment of installment obligations	-640,351
Funds used for the purchase of treasury stock	-687
Payment of dividends to parent company	-361,311
Cash flow from financing activities	-129,122
IV Increase (decrease) in cash and equivalents	32,804
V Balance of cash and equivalents at beginning of period	17,213,890
VI Increase in cash and equivalents resulting from newly consolidated subsidiaries	742,877
VII Balance of cash and equivalents at end of the period	17,989,573

(3)Business Segment Information

[Segment information by type of business]

3 months FY2008 (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

[Segment information by location]

Three-month period ended January 31, 2008 (November 1, 2007 to January 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]

Three-month period ended January 31, 2008 (November 1, 2007 to January 31, 2008)

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