



Fiscal Year Ended October 31, 2024 Financial Statements Bulletin (Japan GAAP)

December 6, 2024

Listed Company Name **Kanamoto Co., Ltd.**
 Company Code Number **9678**
 Listing Exchanges **Tokyo Stock Exchange, Sapporo Stock Exchange**
 URL <https://www.kanamoto.co.jp>
 Representative **Tetsuo Kanamoto** President and CEO
 Inquiries **Shun Hirose** Director & Corporate Officer, Division Manager,
 Accounting Division
 TEL 81-11-209-1600

Scheduled date for Regular General Meeting of the Shareholders January 23, 2025
 Scheduled date for commencement of dividend payments January 24, 2025
 Scheduled date for submission of Annual Securities Report January 23, 2025
 Preparation of Supplementary Explanatory Materials: Yes
 Earnings Briefings (For institutional investors and analysts): Yes

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

1. Consolidated Operating Results for the Fiscal Year Ended October 31, 2024

(November 1, 2023 – October 31, 2024)

(1) Consolidated Operating Results

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2024	207,218	4.9	14,569	21.8	15,218	21.9	9,013	34.1
Fiscal year ended October 31, 2023	197,481	5.0	11,958	-9.6	12,488	-9.4	6,721	-19.5

(Note) Comprehensive income (millions of yen)

Fiscal year ended October 31, 2024 10,565 (25.6%)
 Fiscal year ended October 31, 2023 8,410 (-21.2%)

	Earnings per Share	Earnings per Share on a Fully Diluted Basis	ROE	Ordinary Profit to Total Assets	Operating Margin
	Yen	Yen	%	%	%
Fiscal year ended October 31, 2024	253.72	-	6.6	4.8	7.0
Fiscal year ended October 31, 2023	185.40	-	5.0	4.0	6.1

(Reference) Investment profit or loss accounted for by the equity method (millions of yen)

Fiscal year ended October 31, 2024 -
 Fiscal year ended October 31, 2023 -

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2024	322,853	149,713	43.4	3,950.40
As of October 31, 2023	316,440	143,677	42.5	3,729.73

(Reference) Equity (millions of yen)

As of October 31, 2024 140,008
 As of October 31, 2023 134,495

(3) Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended October 31, 2024	41,696	-2,729	-33,529	50,586
Fiscal year ended October 31, 2023	37,960	-6,699	-33,995	45,093

2. Dividends

	Annual Dividends per Share					Dividends in Total (Full Year)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Full-year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2023	-	35.00	-	40.00	75.00	2,704	40.5	2.1
Fiscal year ended October 31, 2024	-	35.00	-	45.00	80.00	2,831	31.5	2.1
Fiscal year ending October 31, 2025 (projected)	-	40.00	-	40.00	80.00		30.0	

(Note) Breakdown of year-end dividend for the fiscal year ended October 31, 2024 (yen)
 Ordinary dividend 40.00
 60th anniversary commemorative dividend 5.00

3. Projected Consolidated Operating Results for the Fiscal Year Ending October 31, 2025

(November 1, 2024 - October 31, 2025)

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	102,500	1.8	6,600	6.6	6,600	2.2	3,900	7.6	111.19
Full year	211,100	1.9	15,100	3.6	15,300	0.5	9,300	3.2	266.49

(Note) At a meeting of the Board of Directors held on December 6, 2024, the Company resolved to acquire its own shares, and the "Earnings per Share" in the projected consolidated operating results for the fiscal year ending October 31, 2025 takes into account the impact of this acquisition of own shares.

Notes

- (1) Changes in material subsidiaries during the period under review (changes in specific subsidiaries in conjunction with a change in the scope of consolidation): No
- (2) Changes in accounting principles, changes in accounting estimates and retrospective restatements
 - (a) Changes in accounting policy in conjunction with revision of accounting standards: No
 - (b) Changes other than the above: No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatements: No
- (3) Number of shares issued (common shares)
 - (a) Number of shares outstanding at the end of the period (including treasury shares)

As of October 31, 2024:	38,742,241 shares
As of October 31, 2023:	38,742,241 shares
 - (b) Number of treasury shares at the end of the period

As of October 31, 2024:	3,300,670 shares
As of October 31, 2023:	2,681,810 shares
 - (c) Average number of shares outstanding during the period

Fiscal year ended October 31, 2024:	35,525,825 shares
Fiscal year ended October 31, 2023:	36,254,078 shares

(Reference) Summary of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for the Fiscal Year Ended October 31, 2024

(November 1, 2023 – October 31, 2024)

(1) Non-Consolidated Operating Results

(Percentages show the change from the prior year)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2024	129,290	8.2	8,268	43.6	9,350	38.1	6,361	77.3
Fiscal year ended October 31, 2023	119,441	3.2	5,759	-10.9	6,772	-9.2	3,588	-27.6

	Earnings per Share	Earnings per Share on a Fully Diluted Basis
	Yen	Yen
Fiscal year ended October 31, 2024	179.07	-
Fiscal year ended October 31, 2023	98.99	-

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2024	231,748	109,555	47.3	3,091.17
As of October 31, 2023	230,535	107,003	46.4	2,967.35

(Reference) Equity (millions of yen)
As of October 31, 2024 109,555
As of October 31, 2023 107,003

Note: Financial results reports are not required to be audited by certified public accountants or an audit corporation.

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

(Note concerning forward-looking statements)

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee the achievement of the projections. Actual operating results may differ substantially due to a number of factors. Please refer to "1. Overview of Operating Results and Others (4) Future Outlook" on page 7 of the Attachments for the conditions used as assumptions for the projected operating results and matters to note before using the projected operating results.

(Methods of obtaining the supplementary materials and the content of the earnings briefings)

The Company plans to hold an online meeting for institutional investors and analysts on Monday, December 9, 2024. Following the meeting, the Company will upload the meeting highlights and discussion (voice recording) on the Company's website as quickly as possible, together with the Earnings Briefings materials used that day.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results and Others for the Fiscal Year Ended October 31, 2024

During the fiscal year under review, while Japan's economy continued to pick up gradually due to an improvement in the employment and income environment with the progress of the normalization of economic activities, the surrounding environment was still severe and the outlook remained uncertain mainly due to raw material prices remaining high globally, and concerns about recession stemming from monetary tightening, etc.

In the construction industry in which the Group is involved, overall construction investment remained on an upward trend due to a pickup in private investment backed by companies' strong appetite for capital investment as well as steady public sector investment largely driven by the government's measures for disaster prevention and mitigation, and national land resilience. However, since persistently high prices for construction materials and tight labor supply-and-demand continued to put upward pressure on costs, the environment was harsh for the entire construction industry.

In such circumstances, in order to accomplish the Medium-Term Corporate Management Plan "Creative 60" (FY2020-2024), the Group focused on improving its profit structure by optimizing rental unit prices, and appropriately allocating rental equipment after ascertaining trends in demand. In addition, the Group worked toward enhancing corporate value and achieving sustainable growth by further strengthening its business resilience through business operations conscious of sustainability and proactive responses to various social environmental changes.

Consequently, in the fiscal year ended October 31, 2024, the Group reported net sales of ¥207,218 million, an increase of 4.9% year on year. Operating profit was ¥14,569 million, an increase of 21.8% year on year, ordinary profit was ¥15,218 million, an increase of 21.9% year on year, and profit attributable to owners of parent was ¥9,013 million, an increase of 34.1% year on year.

Results for each of the Company's business segments were as follows.

< Business related to the Construction Equipment Rental Division >

In the construction-related business, which is Kanamoto's core business, in addition to transportation infrastructure development and disaster countermeasure construction, rental demand for construction equipment remained relatively steady due to the progress of various types of large-scale projects, such as the construction of semiconductor plants and security-related construction in Hokkaido and Kyushu areas, where we have a large market share.

Furthermore, the Group ensured the selection and concentration of management resources in order to strengthen its ability to respond to various types of projects, and promoted efforts to create lasting corporate value, such as making more efficient use of its assets and enhancing utilization rates.

As a result, sales by region in this business were up 6.9% in the Hokkaido Region, down 1.4% in the Tohoku Region, up 2.7% in the Kanto & Koushinetsu Region, up 9.5% in the Nishi-nihon Region, and up 4.5% in the Kyushu & Okinawa Region.

Used construction equipment sales decreased 6.6% year on year, as Kanamoto proceeded with sales in accordance with the initial plan while carrying out the extension of the rental equipment operation period.

Reflecting these factors, the Group posted net sales in the construction-related businesses of ¥184,177 million, an increase of 3.4% year on year, and operating profit of ¥12,939 million, an increase of 25.5% year on year.

< Other businesses >

In the Group's other businesses, net sales was ¥23,041 million, an increase of 18.8% year on year, and operating profit was ¥1,090 million, a decrease of 4.8% year on year, as the business related to the Steel Sales Division as well as the business related to the Information Products Division and welfare-related business performed favorably.

(2) Overview of Financial Position for the Fiscal Year Ended October 31, 2024

(Assets)

Total assets at the end of the fiscal year under review stood at ¥322,853 million, an increase of ¥6,412 million compared with the end of the prior fiscal year. This was primarily due to increases of ¥5,493 million in cash and deposits and ¥2,429 million in notes and accounts receivable - trade, and contract assets.

(Liabilities)

Total liabilities stood at ¥173,140 million, an increase of ¥376 million compared with the end of the prior fiscal year. This was primarily due to an increase of ¥6,730 million in current portion of long-term borrowings, while notes and accounts payable - trade decreased by ¥2,348 million and long-term borrowings decreased by ¥3,394 million.

(Net assets)

Total net assets stood at ¥149,713 million, an increase of ¥6,036 million compared with the end of the prior fiscal year. This mainly reflects the posting of profit attributable to owners of parent of ¥9,013 million. Meanwhile, there were decreases of ¥2,679 million due to dividends of surplus and ¥1,763 million due to purchase of treasury shares, etc.

(3) Overview of Cash Flows for the Fiscal Year Ended October 31, 2024

(Millions of yen)

	FY Ended October 2023 (Prior fiscal year)	FY Ended October 2024 (Fiscal year under review)	Change from prior year
Net cash provided by (used in) operating activities	37,960	41,696	3,735
Net cash provided by (used in) investing activities	-6,699	-2,729	3,969
Net cash provided by (used in) financing activities	-33,995	-33,529	465
Net increase (decrease) in cash and cash equivalents	-2,685	5,493	8,178
Cash and cash equivalents at beginning of period	47,047	45,093	-1,953
Cash and cash equivalents at end of period	45,093	50,586	5,493

The balance of cash and cash equivalents ("cash") at the end of the fiscal year under review was ¥50,586 million, an increase of ¥5,493 million compared with the end of the prior fiscal year. Cash flows for the fiscal year under review are discussed below.

(Net cash provided by (used in) operating activities)

Cash provided by operating activities stood at ¥41,696 million, an increase of 9.8% from the prior fiscal year. This was primarily attributable to the following: profit before income taxes of ¥15,000 million, depreciation of ¥35,625 million, as well as purchase of rental equipment of ¥4,225 million, increase (decrease) in trade payables of a negative ¥2,538 million, and income taxes paid of ¥4,440 million.

(Net cash provided by (used in) investing activities)

Cash used in investing activities was ¥2,729 million, compared with ¥6,699 million used in the prior fiscal year. This mainly reflected the posting of ¥2,698 million for purchase of property, plant and equipment.

(Net cash provided by (used in) financing activities)

Cash used in financing activities was ¥33,529 million, compared with ¥33,995 million used in the prior fiscal year. This mainly reflected proceeds from long-term borrowings of ¥16,300 million, repayments of long-term borrowings of ¥16,620 million, repayments of installment payables of ¥26,751 million, purchase of treasury shares of ¥2,000 million, and dividends paid of ¥2,677 million.

(Reference) Trends in Cash Flow Indicators

	FY Ended October 2021	FY Ended October 2022	FY Ended October 2023	FY Ended October 2024
Equity ratio (%)	41.8	43.2	42.5	43.4
Equity ratio on a market capitalization basis (%)	30.3	26.0	27.7	30.5
Ratio of interest-bearing liabilities to operating cash flow (year)	2.9	3.5	3.1	2.9
Interest coverage ratio (times)	54.1	47.1	48.0	39.9

(Note) Equity ratio: $\text{Equity} / \text{Total assets}$

Equity ratio on a market capitalization basis:

$\text{Shareholders' equity on a market capitalization basis} / \text{Total assets}$

Ratio of interest-bearing liabilities to operating cash flow:

$\text{Interest-bearing liabilities} / \text{Cash flows from operating activities}$

Interest coverage ratio: $\text{Cash flows from operating activities} / \text{Interest payments}$

*All indicators are calculated using financial values on a consolidated basis.

*Total market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares outstanding (after deducting treasury shares) at the end of the fiscal year.

*Cash flows from operating activities in the consolidated statements of cash flows are used for operating cash flow in the table above. Interest-bearing liabilities include all liabilities posted to the consolidated balance sheets that incur interest. Interest expenses in the consolidated statements of cash flows are used for interest payments in the table above.

(4) Future Outlook

Regarding the outlook for the next fiscal year, construction investment is expected to remain steady in both public and private sectors. As for public sector investment, in addition to national land resilience measures, infrastructure development and DX focusing on stock effects, and public works for sustainable economic growth through the promotion of GX, construction works to strengthen the defense capabilities will also go into full swing. As for private sector investment, capital investment related to economic security and carbon neutrality as well as urban redevelopment is expected.

However, the situation needs to continue to be closely monitored due to the impact of geopolitical risks, and concerns that rising construction costs and other factors will dampen the recovery in demand. In addition, equipment procurement costs and maintenance costs continue to increase due to rising material prices, crude oil prices, etc., and challenging conditions are expected to remain in the business environment.

The Group has formulated the new Medium-Term Management Plan “Progress 65—Toward Achieving Both Growth and Efficiency” (FY2025-2029). With the three key measures of “Growth strategies and improvement of capital efficiency,” “Enhancement of DX strategies,” and “Sustainability initiatives” as pillars, the Group aims to establish a solid earnings base unaffected by the business environment, and contribute to the realization of a sustainable society.

Through the above measures, for the fiscal year ending October 31, 2025, the Group aims for net sales of ¥211.1 billion, a growth of 1.9%, and on the earnings front, it aims for operating profit of ¥15.1 billion, a growth of 3.6%, ordinary profit of ¥15.3 billion, a growth of 0.5%, and profit attributable to owners of parent of ¥9.3 billion, a growth of 3.2%, partly due to investment in human resources in preparation for the future in addition to effective growth investment based on the business environment.

(Note) For the overview of the Medium-Term Management Plan “Progress 65—Toward Achieving Both Growth and Efficiency” (FY2025-2029), please refer to the “Notice Regarding the Formulation of the New Medium-Term Management Plan” released on December 6, 2024.

2. Basic Policy Regarding Selection of Accounting Standards

The Group plans to prepare its consolidated financial statements in accordance with generally accepted accounting practices in Japan, taking into account comparability of consolidated financial statements between different accounting periods and against different companies.

Note that it is the policy of the Group to adopt the international financial reporting standards depending on conditions and trends in Japan and abroad.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2023	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	45,611	51,104
Notes and accounts receivable - trade, and contract assets	41,048	43,478
Electronically recorded monetary claims - operating	11,474	10,562
Merchandise and finished goods	1,442	1,634
Raw materials and supplies	1,574	1,631
Construction machine parts	15,962	15,095
Other	3,453	3,373
Allowance for doubtful accounts	-269	-204
Total current assets	120,298	126,675
Non-current assets		
Property, plant and equipment		
Rental equipment	308,318	322,689
Accumulated depreciation	-197,632	-211,172
Rental equipment, net	110,685	111,516
Buildings and structures	47,935	49,597
Accumulated depreciation	-27,522	-29,018
Buildings and structures, net	20,413	20,579
Machinery, equipment and vehicles	10,550	10,876
Accumulated depreciation	-8,798	-9,143
Machinery, equipment and vehicles, net	1,752	1,733
Land	39,511	39,608
Other	4,091	4,268
Accumulated depreciation	-2,476	-2,636
Other, net	1,614	1,632
Total property, plant and equipment	173,977	175,070
Intangible assets		
Goodwill	3,163	2,558
Customer relationship	1,244	1,181
Other	1,369	1,093
Total intangible assets	5,778	4,833
Investments and other assets		
Investment securities	10,637	11,450
Deferred tax assets	2,013	1,449
Long-term loans receivable	1,702	1,049
Other	2,508	2,699
Allowance for doubtful accounts	-476	-376
Total investments and other assets	16,386	16,272
Total non-current assets	196,141	196,177
Total assets	316,440	322,853

(Millions of yen)

	As of October 31, 2023	As of October 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,077	33,728
Short-term borrowings	900	720
Current portion of long-term borrowings	14,600	21,331
Lease liabilities	1,645	1,706
Income taxes payable	2,657	3,517
Provision for bonuses	1,676	1,703
Accounts payable - other	26,075	25,235
Other	3,992	4,875
Total current liabilities	87,624	92,817
Non-current liabilities		
Long-term borrowings	35,796	32,402
Lease liabilities	3,626	3,708
Long-term accounts payable - other	42,324	41,088
Retirement benefit liability	354	352
Asset retirement obligations	686	722
Deferred tax liabilities	2,288	1,894
Other	60	153
Total non-current liabilities	85,139	80,322
Total liabilities	172,763	173,140
Net assets		
Shareholders' equity		
Share capital	17,829	17,829
Capital surplus	19,432	19,546
Retained earnings	97,842	104,177
Treasury shares	-5,906	-7,670
Total shareholders' equity	129,198	133,883
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,983	3,586
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,343	2,576
Remeasurements of defined benefit plans	-30	-37
Total accumulated other comprehensive income	5,296	6,125
Non-controlling interests	9,181	9,705
Total net assets	143,677	149,713
Total liabilities and net assets	316,440	322,853

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)**

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Net sales	197,481	207,218
Cost of sales	140,630	146,989
Gross profit	56,850	60,228
Selling, general and administrative expenses	44,892	45,659
Operating profit	11,958	14,569
Non-operating income		
Interest income	70	111
Dividend income	211	236
Insurance claim income	69	63
Rental income	77	73
Temporary transfer charges income	57	58
Foreign exchange gains	111	222
Reversal of allowance for doubtful accounts	83	58
Other	316	314
Total non-operating income	998	1,137
Non-operating expenses		
Interest expenses	127	171
Loss on cancellation of leases	39	46
Waste disposal costs	73	75
Other	228	195
Total non-operating expenses	468	489
Ordinary profit	12,488	15,218
Extraordinary income		
Gain on sale of non-current assets	57	49
Gain on sale of shares of subsidiaries and associates	0	1
Gain on sale of investment securities	221	-
Gain on receipt of donated non-current assets	7	-
Subsidy income	-	41
Total extraordinary income	287	92
Extraordinary losses		
Impairment losses	195	88
Loss on sale and retirement of non-current assets	467	221
Loss on valuation of investment securities	6	-
Total extraordinary losses	668	310
Profit before income taxes	12,106	15,000
Income taxes - current	4,480	5,384
Income taxes - deferred	184	-122
Total income taxes	4,664	5,262
Profit	7,441	9,738
Profit attributable to non-controlling interests	720	725
Profit attributable to owners of parent	6,721	9,013

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Profit	7,441	9,738
Other comprehensive income		
Valuation difference on available-for-sale securities	814	600
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	144	233
Remeasurements of defined benefit plans, net of tax	9	-7
Total other comprehensive income	968	826
Comprehensive income	8,410	10,565
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,675	9,842
Comprehensive income attributable to non-controlling interests	734	722

(3) Consolidated Statements of Changes in Equity

Prior fiscal year (From November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,829	19,332	94,399	-3,945	127,616
Changes during period					
Dividends of surplus			-2,739		-2,739
Profit attributable to owners of parent			6,721		6,721
Change in scope of consolidation			-538		-538
Change in ownership interest of parent due to transactions with non-controlling interests		98			98
Purchase of treasury shares				-1,999	-1,999
Restricted stock compensation		0		39	40
Net changes in items other than shareholders' equity					
Total changes during period	-	99	3,443	-1,960	1,582
Balance at end of period	17,829	19,432	97,842	-5,906	129,198

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,181	-	2,198	-37	4,342	8,652	140,611
Changes during period							
Dividends of surplus					-		-2,739
Profit attributable to owners of parent					-		6,721
Change in scope of consolidation					-		-538
Change in ownership interest of parent due to transactions with non-controlling interests					-		98
Purchase of treasury shares					-		-1,999
Restricted stock compensation					-		40
Net changes in items other than shareholders' equity	802	0	144	7	953	528	1,482
Total changes during period	802	0	144	7	953	528	3,065
Balance at end of period	2,983	0	2,343	-30	5,296	9,181	143,677

Current fiscal year (From November 1, 2023 to October 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,829	19,432	97,842	-5,906	129,198
Changes during period					
Dividends of surplus			-2,679		-2,679
Profit attributable to owners of parent			9,013		9,013
Change in ownership interest of parent due to transactions with non-controlling interests		88			88
Purchase of treasury shares				-2,000	-2,000
Restricted stock compensation		25		236	261
Net changes in items other than shareholders' equity					
Total changes during period	-	113	6,334	-1,763	4,684
Balance at end of period	17,829	19,546	104,177	-7,670	133,883

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,983	0	2,343	-30	5,296	9,181	143,677
Changes during period							
Dividends of surplus					-		-2,679
Profit attributable to owners of parent					-		9,013
Change in ownership interest of parent due to transactions with non-controlling interests					-		88
Purchase of treasury shares					-		-2,000
Restricted stock compensation					-		261
Net changes in items other than shareholders' equity	602	0	233	-7	828	523	1,352
Total changes during period	602	0	233	-7	828	523	6,036
Balance at end of period	3,586	0	2,576	-37	6,125	9,705	149,713

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,106	15,000
Depreciation	34,252	35,625
Impairment losses	195	88
Amortization of goodwill	638	649
Loss (gain) on sale and retirement of non-current assets	409	171
Cost transfer resulting from sale of rental equipment	1,217	1,228
Purchase of construction equipment and materials	-1,059	-2,163
Purchase of rental equipment	-5,623	-4,225
Loss (gain) on sale of investment securities	-221	-
Loss (gain) on valuation of investment securities	6	-
Loss (gain) on sale of shares of subsidiaries and associates	-0	-1
Increase (decrease) in allowance for doubtful accounts	-100	-167
Increase (decrease) in provision for bonuses	65	26
Increase (decrease) in retirement benefit liability	-6	-13
Interest and dividend income	-281	-347
Assets buy on the installment plan purchase payment interest for rentals	662	867
Interest expenses	127	171
Foreign exchange losses (gains)	-104	-224
Decrease (increase) in accounts receivable - trade, and contract assets	-5,456	-1,490
Decrease (increase) in inventories	223	-289
Increase (decrease) in trade payables	2,017	-2,538
Increase (decrease) in accounts payable - other	2,454	1,886
Other, net	625	2,580
Subtotal	42,147	46,837
Interest and dividends received	278	345
Interest paid	-790	-1,045
Income taxes paid	-3,674	-4,440
Net cash provided by (used in) operating activities	37,960	41,696

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Cash flows from investing activities		
Payments into time deposits	-747	-1,904
Proceeds from withdrawal of time deposits	747	1,904
Purchase of investment securities	-24	-11
Proceeds from sale of investment securities	358	25
Purchase of property, plant and equipment	-5,254	-2,698
Proceeds from sale of property, plant and equipment	80	81
Purchase of intangible assets	-331	-189
Purchase of shares of subsidiaries	-742	-0
Proceeds from sale of shares of subsidiaries and associates	16	37
Loan advances	-793	-89
Proceeds from collection of loans receivable	176	318
Other, net	-183	-204
Net cash provided by (used in) investing activities	-6,699	-2,729

(Millions of yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-80	-180
Proceeds from long-term borrowings	14,205	16,300
Repayments of long-term borrowings	-15,511	-16,620
Repayments of installment payables	-26,185	-26,751
Repayments of lease liabilities	-1,576	-1,490
Purchase of treasury shares	-1,999	-2,000
Dividends paid	-2,739	-2,677
Dividends paid to non-controlling interests	-22	-21
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-84	-89
Net cash provided by (used in) financing activities	-33,995	-33,529
Effect of exchange rate change on cash and cash equivalents	48	55
Net increase (decrease) in cash and cash equivalents	-2,685	5,493
Cash and cash equivalents at beginning of period	47,047	45,093
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	731	-
Cash and cash equivalents at end of period	45,093	50,586

(5) Notes to the Consolidated Financial Statements
(Notes Relating to the Going Concern Assumption)

The Company had no material items to report.

(Segment Information)

1. Summary of reporting segments

The Company's reporting segments are those units of the Company's for which discrete financial information is available and for which the Board of Directors regularly conducts a review for the purpose of making decisions about resources to be allocated to the segments and assess the segments' performance.

The Company conducts business operations by product and service. The "business related to the Construction Equipment Rental Division" is the reporting segment.

The Company's "business related to the Construction Equipment Rental Division" rents and sells construction equipment and temporary materials for construction use.

2. Method of calculating the amount of net sales, income or loss, assets, liabilities and other items of each reporting segment

Except for the Standard for Measurement of Inventories, the accounting standards and methods for the reported business segment comply with accounting standards that have been adopted in preparing the consolidated financial statements.

The Company values inventory assets using prices before write-downs of book value based on decline in profitability.

Reporting segment earnings are the values on an operating profit basis.

3. Information concerning the amount of net sales, income or loss, assets, liabilities and other items of each reporting segment, and information on disaggregation of revenue

Prior fiscal year (From November 1, 2022 to October 31, 2023)

(Millions of yen)

	Reporting segment	Other businesses (Note)	Total
	Business related to the Construction Equipment Rental Division		
Net sales			
Rental contracts	126,751	7,744	134,496
Sales of merchandise and finished goods	37,171	10,521	47,693
Other	14,042	1,127	15,170
Revenue from contracts with customers	177,965	19,393	197,359
Other revenues	121	-	121
Net sales to outside customers	178,087	19,393	197,481
Net sales or transfers between related segments	-	-	-
Total	178,087	19,393	197,481
Segment income	10,309	1,144	11,454
Segment assets	250,759	13,637	264,397
Other items			
Depreciation	32,507	1,338	33,845
Amortization of goodwill	638	-	638
Amount of increase of property, plant and equipment and intangible assets	39,184	1,995	41,180

(Note) The "Other businesses" classification encompasses business segments not included in the reporting segment, and includes business related to the Steel Sales Division and business related to the Information Products Division, welfare-related business and other businesses.

Current fiscal year (From November 1, 2023 to October 31, 2024)

(Millions of yen)

	Reporting segment	Other businesses (Note)	Total
	Business related to the Construction Equipment Rental Division		
Net sales			
Rental contracts	131,445	8,090	139,536
Sales of merchandise and finished goods	38,506	14,169	52,675
Other	14,121	781	14,903
Revenue from contracts with customers	184,073	23,041	207,115
Other revenues	103	-	103
Net sales to outside customers	184,177	23,041	207,218
Net sales or transfers between related segments	-	-	-
Total	184,177	23,041	207,218
Segment income	12,939	1,090	14,030
Segment assets	257,607	18,737	276,345
Other items			
Depreciation	33,825	1,468	35,293
Amortization of goodwill	649	-	649
Amount of increase of property, plant and equipment and intangible assets	34,352	1,633	35,986

(Note) The "Other businesses" classification encompasses business segments not included in the reporting segment, and includes business related to the Steel Sales Division and business related to the Information Products Division, welfare-related business and other businesses.

4. Difference between total reporting segment amount and the amount reported on the consolidated financial statements, and the main reasons for the difference (Matters Pertaining to Reconciliation of Difference)

(Millions of yen)

Net sales	Prior fiscal year	Current fiscal year
Reporting segment total	178,087	184,177
Net sales for "Other businesses" classification	19,393	23,041
Intersegment eliminations	-	-
Net sales reported in the consolidated financial statements	197,481	207,218

(Millions of yen)

Income	Prior fiscal year	Current fiscal year
Reporting segment total	10,309	12,939
Income for "Other businesses" classification	1,144	1,090
Other adjustments	504	539
Operating profit reported in the consolidated financial statements	11,958	14,569

(Millions of yen)

Assets	Prior fiscal year	Current fiscal year
Reporting segment total	250,759	257,607
Assets of "Other businesses" classification	13,637	18,737
Company assets (Note)	52,043	46,508
Total assets reported in the consolidated financial statements	316,440	322,853

(Note) Company assets are mainly assets used in administrative divisions at the parent company that are not attributable to the reporting segment.

(Millions of yen)

Other items	Reporting segment total		Other		Amount of adjustment		Amount reported in the consolidated financial statements	
	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year
Depreciation	32,507	33,825	1,338	1,468	406	331	34,252	35,625
Amount of increase of property, plant and equipment and intangible assets	39,184	34,352	1,995	1,633	393	440	41,573	36,426

(Note) The adjustments to the increases in property, plant and equipment and intangible assets are capital investments related to administrative divisions.

(Per Share Information)

Prior fiscal year (From November 1, 2022 to October 31, 2023)		Current fiscal year (From November 1, 2023 to October 31, 2024)	
Net assets per share	¥3,729.73	Net assets per share	¥3,950.40
Earnings per share	¥185.40	Earnings per share	¥253.72
Earnings per share on a fully diluted basis	-	Earnings per share on a fully diluted basis	-
The Company has not reported earnings per share on a fully diluted basis because it does not have any potential shares that would have a dilution effect.		Same as at left	

(Note) The basis for calculating earnings per share is as follows.

(Millions of yen, unless otherwise noted)

	Prior fiscal year (From November 1, 2022 to October 31, 2023)	Current fiscal year (From November 1, 2023 to October 31, 2024)
Profit attributable to owners of parent	6,721	9,013
Amount not attributed to common share shareholders	-	-
Profit attributable to owners of parent related to common shares	6,721	9,013
Average number of shares outstanding during the fiscal year (Shares)	36,254,078	35,525,825

(Material Events after the Close of the Fiscal Year)

(Purchase of treasury shares)

At a meeting of the Board of Directors held on December 6, 2024, based on the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act, the Company resolved matters relating to the purchase of treasury shares as follows.

1. Reason of purchase of treasury shares

To enhance shareholder returns and improve capital efficiency, while also enabling flexible capital policy to be executed in the future.

2. Details of matters relating to purchase

(1) Type of shares to be purchased	Common shares of the Company
(2) Total number of shares to be purchased	900,000 shares (maximum) (2.54% of the total number of shares outstanding, excluding treasury shares)
(3) Total acquisition price of shares to be purchased	¥2.0 billion (maximum)
(4) Acquisition period	December 9, 2024 - August 29, 2025
(5) Acquisition method	Purchase by stock exchange market