



Semi-annual Consolidated Earning Results for Fiscal 2004

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1. Semi-annual Consolidated Results for Fiscal 2004 (April 1, 2004 –September 30, 2004)

(1) Consolidated Operating Results

(millions of yen)

	Operating revenues	Operating income	Recurring profit
Six months ended Sep.30, 2004	23,858	10,332	10,497
Six months ended Sep.30, 2003	19,774	8,806	8,856
Year ended March 31, 2004	42,425	18,017	18,207

	Net income	Net income per share (yen)	Diluted net income per share (yen)
Six months ended Sep.30, 2004	5,957	192.54	186.29
Six months ended Sep.30, 2003	4,711	166.32	147.74
Year ended March 31, 2004	8,907	300.72	277.76

(2) Consolidated Financial Position

(millions of yen)

	Total assets	Shareholders' equity	Equity ratio (%)	Shareholders' equity per share (yen)
As of Sep.30, 2004	100,039	73,463	73.4	2,370.43
As of Sep.30, 2003	89,835	61,979	69.0	2,040.13
As of March 31,2004	92,538	67,497	72.9	2,189.02

(3) Consolidated Cash Flows

(millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
Six months ended Sep.30, 2004	7,075	(7,725)	(1,008)	13,460
Six months ended Sep.30, 2003	3,431	(5,659)	(1,259)	11,587
Year ended March 31, 2004	11,187	(7,743)	(3,400)	15,119

(4) Information Regarding Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 15

Non-consolidated subsidiaries accounted for by the equity method: 0

Affiliates accounted for by the equity method: 0

(5) Change in Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries

New: 1

Excluded: 0

Subsidiaries accounted for by the equity method

New: 0

Excluded: 1

2. Consolidated Outlook for Fiscal 2004 (April 1, 2004 – March 31, 2005)

(millions of yen)

	Operating revenues	Recurring profit	Net income
For the year	49,200	20,300	10,850

Reference: Projected net income per share: ¥ 348.62

Consolidated Financial Statements

1. Consolidated Balance Sheets

(millions of yen)

	As of Sep.30, 2003		As of Sep.30, 2004		As of March 31, 2004	
		%		%		%
Assets						
Current assets:						
Cash and cash equivalents	11,875		13,521		15,168	
Receivables due from member dealers at auction	6,786		8,297		5,344	
Trade accounts receivables	492		317		451	
Inventories	357		571		492	
Other current assets	1,766		1,696		1,677	
Allowance for doubtful accounts	(56)		(72)		(73)	
Total current assets	21,221	23.6	24,332	24.3	23,061	24.9
Fixed Assets:						
Property and equipment						
Buildings and structures	11,838		19,071		18,333	
Land	40,289		35,787		38,077	
Construction in progress	8,522		9,357		3,319	
Other property and equipment	1,264		1,724		1,723	
Total property and equipment	61,915	68.9	65,940	65.9	61,454	66.4
Intangible assets						
Excess of cost of investments in consolidated subsidiaries over the fair value of net assets	324		196		271	
Other intangible assets	676		688		720	
Total intangible assets	1,001	1.1	885	0.9	992	1.1
Investments and other assets						
Investments and other assets	6,192		9,372		7,502	
Allowance for doubtful accounts	(494)		(491)		(472)	
Total investments and other assets	5,697	6.4	8,881	8.9	7,030	7.6
Total fixed assets	68,613	76.4	75,706	75.7	69,477	75.1
Total assets	89,835	100.0	100,039	100.0	92,538	100.0

(millions of yen)

	As of Sep.30,2003		As of Sep.30,2004		As of March 31, 2004	
		%		%		%
Liabilities and Shareholders' Equity						
Current Liabilities:						
Payables due to member dealers at auction	6,407		8,560		4,828	
Bonds payable due within one year	-		100		100	
Short-term borrowings	2,802		1,659		1,683	
Income taxes payable	3,474		4,180		4,777	
Allowance for bonus	215		259		254	
Other current liabilities	2,987		3,535		3,828	
Total current liabilities	15,887	17.7	18,296	18.3	15,472	16.7
Long-term debt:						
Bond	300		200		200	
Convertible bond	5,479		3,172		3,688	
Long-term borrowings	2,328		988		1,660	
Employee retirement benefit liability	122		97		98	
Accrued severance indemnities for officers	305		330		320	
Allowance for loss on contingency	55		-		52	
Guarantee deposits received from member dealers	2,650		2,910		2,793	
Total long-term debt	11,241	12.5	7,699	7.7	8,812	9.6
Total liabilities	27,128	30.2	25,996	26.0	24,284	26.3
Minority interests in consolidated subsidiaries						
Minority interests in consolidated subsidiaries	728	0.8	579	0.6	756	0.8
Shareholders' Equity						
Common stock						
Additional paid-in capital	18,584	20.7	20,019	20.0	19,589	21.2
Retained earnings	31,888	35.5	42,283	42.3	37,264	40.3
Land revaluation decrement	(3,207)	(3.6)	(5,024)	(5.0)	(5,147)	(5.6)
Net unrealized loss on available-for sale securities	125	0.1	165	0.1	198	0.2
Treasury stock	(6)	(0.0)	(9)	(0.0)	(8)	(0.0)
Total shareholders' equity	61,979	69.0	73,463	73.4	67,497	72.9
Total liabilities, minority interests and shareholders' equity	89,835	100.0	100,039	100.0	92,538	100.0

2 . Consolidated Statements of Income

(millions of yen)

	Six Months Ended Sep.30, 2003			Six Months Ended Sep.30, 2004			Year Ended March 31, 2004		
			%			%			%
Operating Revenues		19,774	100.0		23,858	100.0		42,425	100.0
Costs of revenues		7,006	35.5		8,957	37.6		15,305	36.1
Gross profit		12,767	64.5		14,901	62.4		27,120	63.9
Selling, general and administrative expenses:									
Advertising		372			616			1,333	
Sales promotion expenses		571			616			1,222	
Provision for doubtful accounts		176			16			221	
Remuneration for directors and statutory auditors		136			154			275	
Employee salaries and bonuses		1,131			1,331			2,503	
Provision for bonuses		116			147			150	
Depreciation		103			128			224	
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets		50			40			100	
Other	1,301	3,961	20.0	1,516	4,568	19.1	3,071	9,103	21.4
Operating income		8,806	44.5		10,332	43.3		18,017	42.5
Non-operating Income:									
Interest and dividend income		5			4			6	
Lease of real estate		47			75			85	
Compensation received		9			7			19	
Car washing earned		8			-			8	
Commission earned		31			30			103	
Issuance of common stock to minority shareholders		0			-			0	
Other income	70	173	0.9	111	229	1.0	219	443	1.0
Non-operating Expenses:									
Interest expenses		58			28			100	
Fees on syndicated loans		5			7			88	
Other expenses	58	122	0.6	28	65	0.3	64	253	0.6
Recurring profit		8,856	44.8		10,497	44.0		18,207	42.9

(millions of yen)

	Six Months Ended Sep.30, 2003			Six Months Ended Sep.30, 2004			Year Ended March 31, 2004		
			%			%			%
Extraordinary gains:									
Gain on sales of property and equipment	2			199			45		
Reversal of allowance for doubtful accounts	21			22			20		
Reversal of allowance for loss on contingency	4			-			7		
Gain on sales of investment securities	-			54			-		
Gain on prior year adjustments	-			46			7		
Other extraordinary gains	-	28	0.1	-	323	1.4	1	82	0.2
Extraordinary losses:									
Loss on sales of property and equipment	0			1			1,501		
Loss on disposal of property and equipment	413			22			548		
Severance pay for directors and statutory auditors	10			15			29		
Impairment loss	-			410			-		
Loss on write-down of investment securities	-			-			30		
Other extraordinary losses	-	423	2.1	29	478	2.0	4	2,114	5.0
Income before income taxes and minority interests		8,462	42.8		10,342	43.4		16,175	38.1
Income taxes	3,503			4,215			8,187		
Deferred tax	78	3,581	18.1	79	4,295	18.0	(1,204)	6,983	16.5
Minority interest in net income of consolidated subsidiaries		168	0.9		89	0.4		284	0.6
Net income		4,711	23.8		5,957	25.0		8,907	21.0

3 . Statements of Consolidated Retained Earnings

(millions of yen)

	Six Months Ended Sep.30,2003		Six Months Ended Sep.30, 2004		Year Ended March. 31, 2004	
Balance at beginning of period		27,761		37,264		27,761
Appropriations						
Cash dividends	548		770		1,307	
Bonuses to directors and statutory auditors	36		45		36	
Decrease in retained earnings due to the change of scope of equity method	-		0		-	
Reversal of land Revaluation decrement	-	584	121	938	-	1,344
Net income	4,711		5,957		8,907	
Reversal of land revaluation decrement	-	4,711	-	5,957	1,939	10,846
Balance at end of period		31,888		42,283		37,264

4 . Consolidated Statement of Cash Flows

(millions of yen)

	Six Months Ended Sep.30,2003	Six Months Ended Sep.30,2004	Year Ended March 31,2004
Cash flows from operating activities:			
Income before income taxes	8,462	10,342	16,175
Adjustments for:	855	1,141	1,837
Depreciation and amortization			
Impairment loss	-	410	-
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	50	40	100
Equity in gain of affiliated companies	(0)	-	(0)
Gain on forfeiture of warrants	-	-	(1)
Increase in allowance for doubtful accounts	206	18	200
Increase in allowance for bonus	14	4	54
Increase (decrease) in employee retirement benefit liability	20	(0)	(3)
Increase (decrease) in allowance for loss on contingency	(4)	(52)	(7)
Increase in accrued severance indemnities for officers	9	9	23
Interest and divided income	(8)	(7)	(9)
Interest expense	58	28	100
Gain on sales of investment securities	-	(54)	-
Loss on write-down of investment securities	-	-	30
Loss (gain) on sale and disposal of property and equipment	8	(175)	1,578
Loss on sale and disposal of intangible assets	-	-	0
Net change in due from/to member dealers at auction	913	778	777
Increase (decrease) in trade accounts receivables	(65)	134	(24)
Increase (decrease) in deposits received	(866)	(161)	(849)
Bonuses paid to directors and statutory auditors	(38)	(48)	(38)
Other, net	(1,493)	(498)	(639)
Sub-total	8,122	11,909	19,304
Interest and dividend received	8	7	9
Interest paid	(57)	(28)	(103)
Income taxes paid	(4,642)	(4,812)	(8,022)
Net cash provided by operating activities	3,431	7,075	11,187

(millions of yen)

	Six Months Ended Sep.30,2003	Six Months Ended Sep.30,2004	Year Ended March 31,2004
Cash flows from investing activities			
Net(increase)decrease in time deposits	(7)	(11)	231
Acquisition of property and equipment	(5,450)	(7,958)	(17,825)
Proceeds from sale of property and equipment	25	369	10,382
Purchase of intangible assets	(61)	(48)	(182)
Proceeds from sale of intangible assets	-	3	0
Payments for purchase of investment securities	(40)	(0)	(41)
Proceeds from sale of investment securities	-	104	-
Increase in long-term prepaid expenses	(9)	(13)	(132)
Purchase of shores of consolidated subsidiary	-	(225)	(130)
Other, net	(116)	56	(46)
Net cash used in investing activities	(5,659)	(7,725)	(7,743)
Cash flows from financing activities			
Net increase(decrease) in short-term borrowings	(26)	188	(134)
Proceeds from long-term debt	40	-	100
Repayments of long-term debt	(1,835)	(884)	(3,574)
Proceeds from guarantee deposits received from member dealers	139	149	318
Repayment of guarantee deposits received from member dealers	(53)	(32)	(89)
Issuance of new shares	1,028	343	1,248
Precedes from issuance of shares of consolidated subsidiary	0	-	44
Payments for the purchases of treasury stock	(1)	(1)	(2)
Dividends paid	(548)	(770)	(1,307)
Dividends paid for minority shareholders	(2)	(2)	(2)
Net cash (used in) provided by financing activities	(1,259)	(1,008)	(3,400)
Increase (decrease) in cash and cash equivalents	(3,488)	(1,658)	43
Cash and cash equivalents at beginning of period	15,075	15,119	15,075
Cash and cash equivalents at end of period	11,587	13,460	15,119