

Semi-annual Consolidated Earning Results for Fiscal 2003

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1. Semi-annual Consolidated Results for Fiscal 2003 (April 1, 2003 –September 30, 2003)

(1) Consolidated Operating Results

(millions of yen)

	Operating revenues	Operating income	Recurring profit
Six months ended Sep.30, 2003	19,774	8,806	8,856
Six months ended Sep.30, 2002	14,941	7,360	7,401
Year ended March 31, 2003	33,819	15,335	15,382

	Net income	Net income per share (yen)	Diluted net income per share (yen)
Six months ended Sep.30, 2003	4,711	166.32	147.74
Six months ended Sep.30, 2002	3,980	147.06	127.61
Year ended March.31, 2003	7,645	279.47	242.85

(2) Consolidated Financial Position

(millions of yen)

	Total assets	Shareholders' equity	Equity ratio (%)	Shareholders' equity per share (yen)
As of Sep.30, 2003	89,835	61,979	69.0	2,040.13
As of Sep.30, 2002	80,696	40,507	50.2	1,481.07
As of March.31,2003	88,979	43,812	49.3	1,596.96

(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, 2003	3,431	(5,659)	(1,259)	11,587
Six months ended Sep.30, 2002	3,101	(1,365)	(961)	22,302
Year ended March.31, 2003	12,310	(16,537)	(2,224)	15,075

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

Consolidated subsidiaries: 12

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

Affiliates accounted for by the equity method: 1

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

Consolidated subsidiaries

New: 0

Excluded: 0

Subsidiaries accounted for by the equity method

New: 0

Excluded: 0

2. Consolidated Outlook for Fiscal 2003 (April 1, 2003 – March 31, 2004)

(millions of yen)

	Operating revenues	Recurring profit	Net income
For the year	41,500	17,200	8,450

Reference: Projected net income per share: ¥ 276.94

Consolidated Financial Statements

1. Consolidated Balance Sheets

(millions of yen)

	As of Sep.30, 2002		As of Sep.30, 2003		As of March.31, 2003	
		%		%		%
Assets						
Current assets:						
Cash and cash equivalents	22,302		11,875		15,356	
Receivables due from member dealers at auction	7,172		6,786		7,577	
Trade accounts receivables	334		492		427	
Inventories	244		357		271	
Other current assets	1,273		1,766		1,516	
Allowance for doubtful accounts	(51)		(56)		(64)	
Total current assets	31,276	38.8	21,221	23.6	25,084	28.2
Fixed Assets:						
Property and equipment						
Buildings and structures	11,665		11,838		12,032	
Land	26,586		40,289		39,520	
Construction in progress	4,231		8,522		4,574	
Other property and equipment	1,162		1,264		1,166	
Total property and equipment	43,646	54.1	61,915	68.9	57,293	64.4
Intangible assets						
Excess of cost of investments in consolidated subsidiaries over the fair value of net assets	118		324		374	
Other intangible assets	663		676		688	
Total intangible assets	782	0.9	1,001	1.1	1,063	1.2
Investments and other assets						
Investments and other assets	5,052		6,192		5,817	
Allowance for doubtful accounts	(60)		(494)		(280)	
Total investments and other assets	4,992	6.2	5,697	6.4	5,537	6.2
Total fixed assets	49,420	61.2	68,613	76.4	63,894	71.8
Total assets	80,696	100.0	89,835	100.0	88,979	100.0

(millions of yen)

	As of Sep.30,2002		As of Sep.30,2003		As of March.31, 2003	
		%		%		%
Liabilities and Shareholders' Equity						
Current Liabilities:						
Payables due to member dealers at auction	5,613		6,407		6,284	
Short-term borrowings	2,865		2,802		3,547	
Income taxes payable	2,928		3,474		4,612	
Allowance for bonus	159		215		200	
Other current liabilities	2,761		2,987		4,902	
Total current liabilities	14,327	17.8	15,887	17.7	19,548	22.0
Long-term debt:						
Bond	-		300		300	
Convertible bond	18,378		5,479		18,327	
Long-term borrowings	4,577		2,328		3,404	
Employee retirement benefit liability	97		122		101	
Accrued severance indemnities for officers	-		305		296	
Allowance for loss on contingency	-		55		59	
Guarantee deposits received from member dealers	2,411		2,650		2,565	
Total long-term debt	25,463	31.5	11,241	12.5	25,054	28.1
Total liabilities	39,791	49.3	27,128	30.2	44,603	50.1
Minority interests in consolidated subsidiaries						
Minority interests in consolidated subsidiaries	397	0.5	728	0.8	564	0.6
Shareholders' Equity						
Common stock	7,524	9.3	14,594	16.3	7,655	8.6
Additional paid-in capital	11,486	14.2	18,584	20.7	11,617	13.1
Retained earnings	24,643	30.5	31,888	35.5	27,761	31.2
Land revaluation decrement	(3,136)	(3.8)	(3,207)	(3.6)	(3,207)	(3.6)
Net unrealized loss on available-for sale securities	(6)	(0.0)	125	0.1	(8)	(0.0)
Treasury stock	(4)	(0.0)	(6)	(0.0)	(5)	(0.0)
Total shareholders' equity	40,507	50.2	61,979	69.0	43,812	49.3
Total liabilities, minority interests and shareholders' equity	80,696	100.0	89,835	100.0	88,979	100.0

2 . Consolidated Statements of Income

(millions of yen)

	Six Months Ended Sep.30, 2002			Six Months Ended Sep.30, 2003			Year Ended March.31, 2003		
			%			%			%
Operating Revenues		14,941	100.0		19,774	100.0		33,819	100.0
Costs of revenues		4,806	32.2		7,006	35.5		11,543	34.1
Gross profit		10,134	67.8		12,767	64.5		22,276	65.9
Selling, general and administrative expenses:									
Advertising	529			372			1,236		
Sales promotion expenses	487			571			1,120		
Provision for doubtful accounts	46			176			74		
Remuneration for directors and statutory auditors	135			136			271		
Employee salaries and bonuses	550			1,131			1,633		
Provision for bonuses	72			116			108		
Depreciation	113			103			252		
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	43			50			120		
Other	794	2,773	18.6	1,301	3,961	20.0	2,121	6,940	20.5
Operating income		7,360	49.2		8,806	44.5		15,335	45.4
Non-operating Income:									
Interest and dividend income	1			5			8		
Lease of real estate	24			47			70		
Compensation received	13			9			28		
Car washing eamed	10			8			23		
Commission earned	38			31			92		
Issuance of common stock to minority shareholders	-			0			-		
Other income	89	178	1.2	70	173	0.9	124	348	1.0
Non-operating Expenses:									
Interest expenses	70			58			138		
Fees on syndicated loans	23			5			34		
Bond issuance expenses	-			-			8		
Equity in loss of affiliated company	3			-			17		
Other expenses	39	137	0.9	58	122	0.6	102	301	0.9
Recurring profit		7,401	49.5		8,856	44.8		15,382	45.5

(millions of yen)

	Six Months Ended Sep.30, 2002			Six Months Ended Sep.30, 2003			Year Ended March.31, 2003		
			%			%			%
Extraordinary gains:									
Gain on sales of property and equipment	1			2			1		
Reversal of allowance for doubtful accounts	33			21			17		
Gains from forgiveness of debt	37			-			37		
Reversal of allowance for loss on contingency	-			4			-		
Other extraordinary gains	0	72	0.5	-	28	0.1	0	56	0.2
Extraordinary losses:									
Loss on sales of property and equipment	0			0			0		
Loss on disposal of property and equipment	2			413			813		
Severance pay for directors and statutory auditors	24			10			26		
Provision for accrued severance indemnities for officers	-			-			271		
Loss on write-down of investment securities	413			-			527		
Provision for loss on contingency	-			-			59		
Other extraordinary losses	12	452	3.0	-	423	2.1	12	1,711	5.1
Income before income taxes and minority interests		7,022	47.0		8,462	42.8		13,727	40.6
Income taxes	3,012			3,503			6,805		
Deferred tax	(55)	2,957	19.8	78	3,581	18.1	(896)	5,908	17.5
Minority interest in net income of consolidated subsidiaries		84	0.6		168	0.9		173	0.5
Net income		3,980	26.6		4,711	23.8		7,645	22.6

3 . Statements of Consolidated Retained Earnings

(millions of yen)

	Six Months Ended Sep.30,2002		Six Months Ended Sep.30, 2003		Year Ended March. 31, 2003	
Balance at beginning of period		21,102		27,761		21,102
Appropriations						
Cash dividends	402		548		949	
Bonuses to directors and statutory auditors	37	439	36	584	37	986
Net income		3,980		4,711		7,645
Balance at end of period		24,643		31,888		27,761

4 . Consolidated Statement of Cash Flows

(millions of yen)

	Six Months Ended Sep.30,2002	Six Months Ended Sep.30,2003	Year Ended March.31,2003
Cash flows from operating activities:			
Income before income taxes	7,022	8,462	13,727
Adjustments for:	859	855	1,804
Depreciation and amortization			
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	43	50	120
Equity in loss (gain) of affiliated companies	3	(0)	17
Gain on forfeiture of warrants	(0)	-	(0)
Gains from forgiveness of debt	(37)	-	(37)
Increase in allowance for doubtful accounts	5	206	130
Increase in allowance for bonus	11	14	27
Increase in employee retirement benefit liability	11	20	15
Increase (decrease) in allowance for loss on contingency	-	(4)	59
Increase in accrued severance indemnities for officers	-	9	296
Interest and divided income	(1)	(8)	(9)
Interest expense	70	58	138
Bond-issuing expenses	-	-	8
Loss on write-down of investment securities	413	-	527
Loss (gain) on sale and disposal of property and equipment	1	8	757
Loss on sale and disposal of intangible assets	-	-	55
Net change in due from/to member dealers at auction	(1,357)	913	(1,091)
Increase (decrease) in trade accounts receivables	(5)	(65)	130
Increase (decrease) in deposits received	(673)	(866)	229
Bonuses paid to directors and statutory auditors	(39)	(38)	(39)
Other, net	(728)	(1,493)	182
Sub-total	5,598	8,122	17,051
Interest and dividend received	1	8	9
Interest paid	(71)	(57)	(139)
Income taxes paid	(2,426)	(4,642)	(4,611)
Net cash provided by operating activities	3,101	3,431	12,310

(millions of yen)

	Six Months Ended Sep.30,2002	Six Months Ended Sep.30,2003	Year Ended March.31,2003
Cash flows from investing activities			
Net(increase)decrease in time deposits	(500)	(7)	(781)
Acquisition of property and equipment	(756)	(5,450)	(15,220)
Proceeds from sale of property and equipment	2	25	3
Purchase of intangible assets	(33)	(61)	(219)
Proceeds from sale of intangible assets	-	-	0
Payments for purchase of investment securities	(100)	(40)	(223)
Proceeds from sale of investment securities	4	-	4
Increase in long-term prepaid expenses	(14)	(9)	(26)
Purchase of shares of newly consolidated subsidiary	-	-	(16)
Other, net	33	(116)	(59)
Net cash used in investing activities	(1,365)	(5,659)	(16,537)
Cash flows from financing activities			
Net increase(decrease) in short-term borrowings	100	(26)	33
Proceeds from long-term debt	-	40	166
Repayments of long-term debt	(947)	(1,835)	(2,380)
Proceeds from guarantee deposits received from member dealers	156	139	1,118
Repayment of guarantee deposits received from member dealers	(46)	(53)	(891)
Issuance of bonds	-	-	291
Redemption of bonds	(568)	-	(568)
Issuance of new shares	753	1,028	963
Issuance of new shares of subsidiary on consolidation	-	0	-
Payments for the purchases of treasury stock	(4)	(1)	(5)
Dividends paid	(402)	(548)	(949)
Dividends paid for minority shareholders	(2)	(2)	(2)
Net cash (used in) provided by financing activities	(961)	(1,259)	(2,224)
Increase (decrease) in cash and cash equivalents	774	(3,488)	(6,452)
Cash and cash equivalents at beginning of period	21,477	15,075	21,447
Increase in cash and cash equivalents upon inclusion of subsidiary on consolidation	50	-	50
Cash and cash equivalents at end of period	22,302	11,587	15,075