



# Consolidated Financial Results for the Six Months Ended January 31, 2005

(English Translation of “Kessan Tanshin”)

March 4, 2005

Company Name: **Nittyu Co., Ltd.**

Exchanges Listed: TSE 1

Securities Code: 2353

Location of Company Headquarters: Osaka Prefecture

( U R L <http://www.nittyu.co.jp> )

Position of Representative: President and Representative Director

Name: Kazuhisa Tatsumi

Position of Contact Person: Vice President & Managing Director

Name: Taro Ujike T E L ( 06 ) 6227 - 6777

Date Books Closed and Board of Directors Meeting Held: March 4, 2005

US GAAP not applied

## 1. Consolidated results for the six month period ending January 2005 (from Aug. 1, 2004 to Jan. 31, 2005)

(1) Consolidated Financial Results (Note) Amounts truncated to the nearest million yen.

	Net Sales		Operating Profit		Ordinary Profit	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Six months to:						
Jan. 2005	2,130	28.3	434	48.1	429	40.5
Jan. 2004	1,660	51.0	293	98.8	306	120.8
Fiscal year to:						
July 2004	3,583		706		711	

	Net Income		Earnings per Share		Fully Diluted Earnings per Share
	Yen Mln	%	Yen		Yen
Six Months to:					
Jan. 2005	265	59.8	79.63		77.19
Jan. 2004	166	124.9	3,144.88		3,071.92
Fiscal Year to:					
July 2004	397		2,296.42		2,232.18

- (Notes)
- Earnings from minority interests: Jan. 2005 --¥ Mln., Jan. 2004 -- ¥ Mln., July 2004 -- ¥ Mln.
  - Consolidated outstanding shares: Jan. 2005 3,335,412, Jan. 2004 52,860, July 2004 158, 580  
1:3 stock splits were effected on Sept. 19, 2003 and Jul.20, 2004, while a 1:21 stock split was effected on Nov. 19, 2004. In addition, outstanding shares for Jan. 2005, Jan. 2004 and July 2005 and earnings per share assume these share increases occurred at the beginning of the period.
  - Changes in accounting method: None
  - Change rates in sales, operating profit, ordinary profit and net income refer to comparisons to the some period a year previous.

## (2) Financial Condition

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Book Value per Share
	Yen Mln	Yen Mln	%	Yen
Jan. 2005	2,182	1,577	72.3	471.10
Jan. 2004	1,703	1,200	70.5	22,712.95
July 2004	2,064	1,431	69.3	8,819.10

(Note) Consolidated outstanding shares at the end of each period are as noted in Note 2 above.

## (3) Status of Consolidated Cash Flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	End of Period Cash and Cash Equivalents
	Yen Mln	Yen Mln	Yen Mln	Yen Mln
Jan. 2005	145	593	65	727
Jan. 2004	138	4	—	1,103
July 2004	461	180	—	1,241

(4) Consolidated subsidiaries and affiliates reflected under the equity method.

Consolidated Subsidiaries: 2 No companies are reflected under the equity method.

(5) Changes in the scope of consolidation

Consolidated Subsidiaries: 0 Added, 0 Deleted. There are no other changes.

## 2. Forecast for the Full Fiscal Year to July 2005 (from Aug.1, 2003 to July 31, 2005)

	Sales	Ordinary Profit	Net Income
	Yen Mln	Yen Mln	Yen Mln
Fiscal Year to July 2005	4,641	950	545

(Reference) Earnings per share for the full fiscal year: ¥163.31

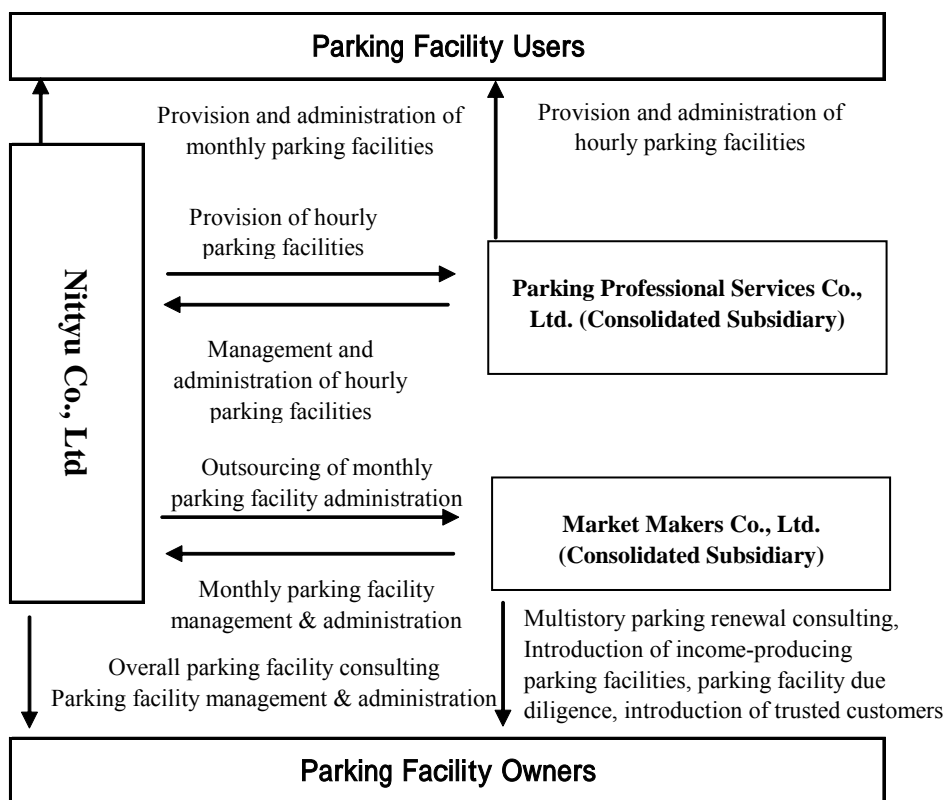
The above forecast is based on the data available at the time this document was created. Actual results can differ materially from these forecasts due to various factors.

## **1. The Nittyu Group**

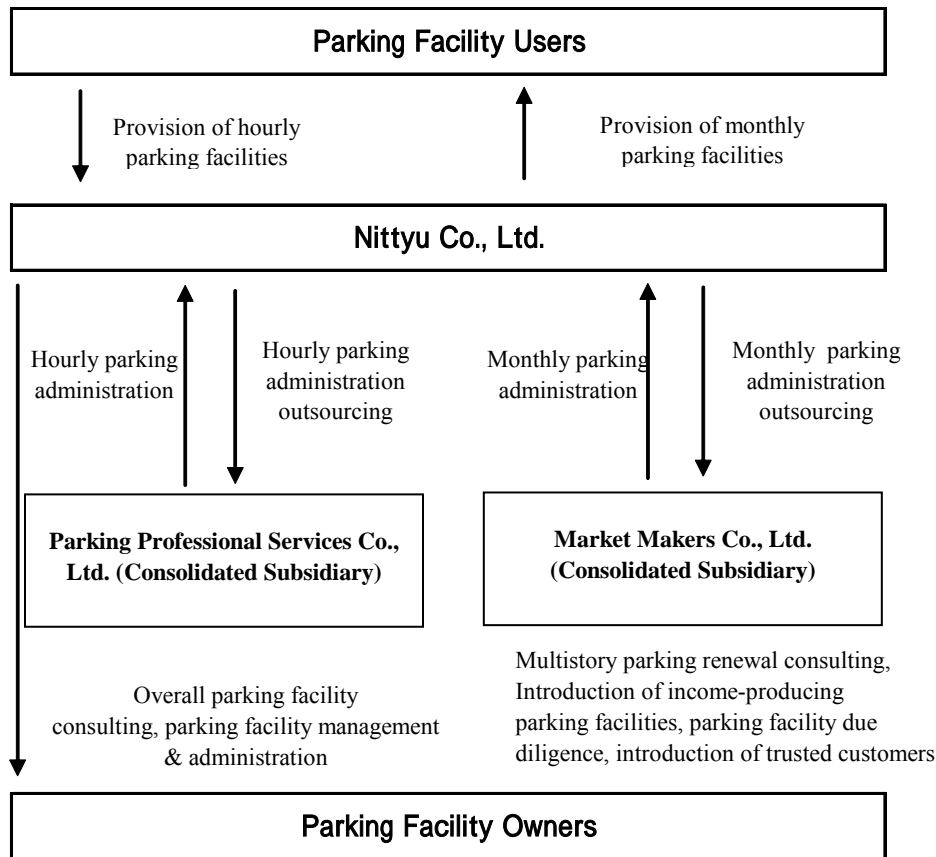
The Nittyu Group consists of the parent company and two subsidiaries (Parking Professional Services Co., Ltd. and Market Makers Co., Ltd), and its businesses consist of mainly parking facility consulting-based services to; (1) to directly and more effectively manage underutilized parking facilities, (2) introduce high quality leasing clients to underutilized parking facilities, and (3) provide subcontracted parking facility administration. The Group also provides consulting-based parking facility value-added services, such as due diligence, renewal consulting and the introduction of income producing parking facilities to potential buyers.

With regards to pay-by-the hour parking facility administration, the Company until January 31, 2005 rented pay-by-the-hour parking facilities to Parking Professional Services Co., Ltd. (a 100% subsidiary, hereafter referred to as “PPS”) for general administration including profit management of pay-by-the-hour parking facilities. However, because previous rental contracts signed between the Company and PPS (where parking spaces were rented to PPS for administration and profit management) were converted to outsourcing contracts (where pay-per-hour parking facility operations and management of local staff were subcontracted to PPS) from February 1, 2005, both the business flow chart before the contract change and after the contract change have been included.

### **( Business Flow Before the Contract Change )**



### (Business Flow After Contract Change)



## **2. Management Policies**

### **(1) Basic Group Policies**

Based on a philosophy of “a happy business relationship” with all associated with our business, we believe our mission is to provide solutions that have merit for parking facility owners, users and the society in general as we continually strive to provide the most advanced parking facility services. Our aim is to create new parking spaces that are both high quality and efficient, and to efficiently operate underutilized parking facilities as well as improve returns on unprofitable parking facilities.

### **(2) Basic Policy Regarding Distribution of Profits**

Since our listing on February 18, 2003 on the JASDAQ, Nittyu has strived for continuous profit growth and to provide shareholder returns commensurate with this growth. With our listing on the second section of the Tokyo Stock Exchange on February 25, 2004, we have become even more shareholder focused as a true public company, and have more proactively endeavored to enhance returns to our shareholders by implementing a dividend payout of 20% of consolidated net income. In addition, on the occasion of our listing on the first section of the Tokyo Stock Exchange on January 4, 2005, we have renewed our commitment to sustainable growth, and moreover have decided to review our dividend policy each accounting period, taking into

consideration the medium-term funding needs of our business, and the efficiency of capital employed. For the accounting period under review, we intend to declare a dividend of ¥200 per share at the end of the period, taking into consideration the previously described factors.

### **(3) Approach and Policy Regarding Minimum Trading Unit**

Nittyu has successively lowered the minimum trading unit for its shares in order to improve market liquidity and to increase the number of shareholders. On September 19, 2003 and on July 20, 2004, we effected 1:3 stock splits, and on November 19, 2004, effected a 1:21 stock split. In order to make it easier for investors to buy our shares, we intend to effect such share issues in the future as well, giving due consideration to appropriateness and timing.

### **(4) Goals Used as Management Indicators**

Nittyu is daily impressed by the speed at which parking facility demand is being created, given not only the substantial market needs in the underdeveloped parking facility market and the large potential demand from corporate groups given corporate restructuring and business revitalization, but also the shift in the parking facility demand-supply balance from metropolitan redevelopment and other projects. Despite such market conditions, a clear competitor to Nittyu's business has yet to emerge, meaning that the Nittyu Group has heretofore been able to focus solely on business expansion without having to concentrate too much on management indicators. However, as we strive to achieve continuous business expansion going forward, we will endeavor to achieve highly transparent management with objective management indicators.

In terms of specific benchmark indicators, as we intend to achieve high growth that is both stable and efficient in emphasizing shareholder-focused management, the emphasis will be on the balance of growth, profitability, financial health and efficiency, rather than being influenced by the trend of one particular indicator. As for specific indicators, our goal is to maintain a high levels of ordinary profit growth, ordinary profit margin, shareholder equity ratio, return on equity and dividend payout ratio. In particular, our goal is the pursuit of management efficiency by maintaining one of the highest returns on equity among listed companies.

### **(5) Medium-Term Management Strategies for the Group**

The Nittyu Group has been able to achieve growth through a management model that does not require assets by supplying solutions for the efficient utilization of mainly underutilized mechanical multistory parking facilities attached to buildings that offer parking facility owners both stable income and risk reduction, while providing parking facility users with reduced costs and increased convenience. Leveraging this basic model, we intend to aggressively promote the effective use of underutilized parking facilities in the more than 50,000 facilities nationwide that are required to have parking facilities. In addition, we intend to strengthen consulting services for newly built buildings with attached parking facilities from the design stage—such as the parking facilities for the Osaka Stock Exchange building that opened in December 2004, and to actively develop renewal consulting services for existing multistory parking facilities, while at the same time improving the quality of available parking facilities in order to enhance user convenience.

Specifically, we will continue to strengthen our metropolitan area marketing activities in order to achieve a directly managed ratio of 30% of all buildings requiring parking facilities (approximately 10,000 buildings) in the three main metropolitan regions of Kanto, Chubu and Kinki. We aim for the early achievement of this goal by leveraging the enhanced name recognition provided by our listing on the first section of the Tokyo Stock Exchange and relisting on the JASDAQ to accelerate new client development, by expanding existing client transactions based on strengthened creditworthiness, and through the active utilization of external resources such as our business tie-up with Taisei Co., Ltd. (listed on the second section of the Nagoya Stock Exchange).

While focusing on metropolitan areas, Nittyu also intends to respond to the needs of major regional cities through efficient business development in selected regions. In addition, we intend to achieve both enhanced well being and profitability by revolutionizing the image and market for parking facility operations in responding to various social needs for parking facilities through the expansion of our consulting business in the retail and other industries.

## **(6) Significant Issues Requiring Management Response**

Nittyu Group has grown through the provision of effective solutions for underutilized parking facilities. There are already changes occurring in the operating environment which will have an affect on the supply-demand balance for parking facilities, such as proposals by the special deliberative committee to the National Policy Agency to clarify user responsibility for illegal parking, and to outsource the enforcement of parking violations to the private sector. The key to future growth will be Nittyu's ability to speedily detect such trends and to convert them into business opportunities by providing optimal solutions. As we continually consider actions in response to the external environment and work to build our internal organization, we recognize the following areas that will need to be continually strengthened going forward.

### **(a) Attracting Talented People**

Since listing on the JASDAQ in February 2003, the number of applicants responding to our hiring efforts has consistently increased. That said, it is difficult to find and hire experienced employees because we provide a service that no other company in the industry provides. In terms of mid-career hires, we tend to hire employees that have been active in other industries rather than those with direct experience, and then train them in-house. In terms of new graduates, the third group of 10 new employees entered the company in April 2004, and as our new graduate hiring program has become more established, we have seen steady progress in raising new hire levels. We have been thorough in providing advance preparation for new hires by providing pre-employment training and part-time work before employees enter the company in order to ensure better productivity for new employees. In addition to providing strengthened in-house training for newly hired new graduates and training to upgrade the skill levels of existing employees from July 2005, we intend to continue strengthening our ability to hire both new graduates and mid-career employees.

### **(b) Maintenance of Customer Satisfaction**

The Nittyu Group aims to provide optimal solutions that ensure the continued satisfaction of both parking facility owners and users. In addition, in terms of client relationships, we are working to enhance the content of our working manual as well as continually striving to improve employee capabilities and morals. We are pursuing optimal services by providing responding to the individual needs of each facility and user groups by assigning new graduates and early retirees from major companies to manned hourly parking facilities. We are continually working to maintain and enhance customer satisfaction with a serve philosophy that is unique in the parking facility market. For example, on the first opening session of the new year on January 4, 2005, we welcomed customers of the Osaka Stock Exchange building parking facility in long-sleeved kimonos.

### **(c) Response to Competition**

As there are few legal barriers to entry in the parking facility market, there are a large number of operators nationwide, ranging from large corporations to small-scale individual operators, with which the company has competed since its establishment. However, since Nittyu was listed, there are currently no other rivals operating in the same business domain as Nittyu in the market. The Nittyu Group intends to maintain its superior market position by continually raising the quality barriers to entry, and through strengthened service differentiation; using its unique operational know-how (profit maximization through a mix monthly, daily and hourly rental), abundant information (the latest information on corporates who are the main users of monthly contracted parking), and a strengthened ability to provide solutions based on consulting from the point that parking facility funds are created and at the design stage of planned buildings constructions.

**(7) Policies Related to Management Organization (Enhanced Corporate Governance)**

Nittyu believes that an important responsibility of management is to ensure transparency, fairness, prompt and appropriate decision making, and timely, accurate disclosure. We are therefore working to enhance the Company's corporate governance. At the October 2004 regular shareholders' meeting, proposals were presented to prepare the Company to become "a major company", such as an increase in the number of auditors and the election of an accounting audit firm in accordance with the Commercial Code. We are also working to improve both the framework and the content of our compliance.

The Company is presently managed by a seven member Board of Directors, and has strengthened its supervision capabilities with three auditors having experience at other companies as Board members and auditors. We are working to ensure prompt decision making and clear responsibility for execution of policies. The Board meets once a month to actively debate and decide upon important issues, after which a meeting of executive managers is held. A compliance group has been established that functions horizontally throughout the Company, which is actively involved not only in ensuring compliance with legal directives, but also in raising compliance awareness within the Company.

### **3. Consolidated Operating Results and Financial Condition**

#### **(1) Operating Results**

##### **(a) Overview of Interim Consolidated Results**

Japan's economy for the period under review trended favorably with improving corporate profitability and a recovery in corporate capital expenditures. On the other hand, given continued uncertainties such as the sharp rise in oil prices and a strong yen, while the pace of economic recovery remained mild.

Under such macro economic conditions, there was further progress in real estate securitization ahead of the scheduled introduction of mandatory impairment accounting, demand from improved returns on parking facilities attached to buildings from building owners, financial institutions and JREITs (real estate investment trusts) continued at a high level, unaffected by a strong desire on the part of parking facility users to reduce operating costs.

#### **<<Interim Consolidated Operating Results by Business Segment>>**

Sales by Segment	Current Interim (From August 1, 2004 to January 31, 2005 )	Previous Interim (From August 1, 2003 to January 31, 2004)	Year-on-Year Change( % )
	Amount (¥000)	Amount (¥000)	
Directly Managed Business	1,905,867	1,496,421	127.4
Leasing Business	68,049	85,398	79.7
Management Business	85,136	53,548	159.0
VA Services Business	60,454	15,131	399.5
Other Businesses	11,276	9,656	116.8
Total	2,130,783	1,660,157	128.3

#### **<<Directly Managed Consolidated Business Sales by Region>>**

	Current Interim (From August 1, 2004 to January 31, 2005 )	Previous Interim (From August 1, 2003 to January 31, 2004)	Year-on-Year Change( % )
	Amount (¥000)	Amount (¥000)	
Kanto	1,004,181	775,057	129.6
Kinki	723,051	602,472	120.0
Tokai	127,551	96,699	131.9
Kyushu	51,083	22,191	230.2
Total	1,905,867	1,496,421	127.4

**<<Monthly-only Directly Managed Facilities, Combined Hourly Directly Managed Facilities, Total Directly Managed Facilities by Region, and Total Contracted Units versus Total Unit Capacity>>**

Directly Managed	As of Jan. 31, 2005	As of Jan. 31, 2004	YoY (%) Change	As of Jan. 31, 2005	As of Jan. 31, 2004	YoY (%) Change	As of Jan. 31, 2005	As of Jan. 31, 2004	YoY (%) Change
	Monthly Directly Managed Facilities			Combined Hourly Directly Managed Facilities			Total Directly Managed Facilities		
	(Number) Contracted Units	(Number) Contracted Units		(Number) Contracted Units	(Number) Contracted Units		(Number) Contracted Units	(Number) Contracted Units	
Kanto	(162)	(135)	120.0	(28)	(19)	147.4	(190)	(154)	123.4
	3,063	2,747	111.5	1,241	815	152.3	4,304	3,562	120.8
Kinki	(62)	(55)	112.7	(37)	(36)	102.8	(99)	(91)	108.8
	1,002	883	113.5	1,610	1,446	111.3	2,612	2,329	112.2
Tokai	(15)	(13)	115.4	(9)	(6)	150.0	(24)	(19)	126.3
	248	221	112.2	302	236	128.0	550	457	120.4
Kyushu	(11)	(4)	275.0	(4)	(2)	200.0	(15)	(6)	250.0
	191	62	308.1	125	66	189.4	316	128	246.9
Total	(250)	(207)	120.8	(78)	(63)	123.8	(328)	(270)	121.5
	4,504	3,913	115.1	3,278	2,563	127.9	7,782	6,476	120.2
				5,161	3,942	130.9			

“Contracted Units” as listed above represent the number of parking units contracted between the Company and parking facility owners, while “Unit Capacity” represents the total of parking units available. As hourly combined directly managed facilities include services other than contracted parking spaces, these units are included in “total unit capacity”.

In the directly managed business, the favorable trend in facilities acquired in the prior period continued, while there was a rapid ramp-up in the number of consulting projects from the design stage for new buildings such as the Osaka Stock Exchange building parking facility. As a result, directly managed business revenues grew 27.4% year-on-year to ¥1,905.867 million and accounted for 89.4% of total sales.

Because of the shift to a more directly managed business structure, leasing business sales declined by 20.3% year-on-year to ¥69.049 million. While there was an increase in cancellations of small facility management contracts, there was favorable growth in large facility management contracts, resulting in a 59.0% increase in management business revenues to ¥85.136 million. In addition, the start-up of new businesses proceeded smoothly, supported by an increase in parking facility management consulting for the retail industry, multiple story renewal and safety consulting, and orders for partial construction, which resulted in a 299.5% year-on-year increase in VA services to ¥60.454 million. For the period, total sales saw a significant increase of 28.3% year-on-year to ¥2,130.783 million.

Gross profit margin deteriorated by 2.5% points to 42.6%, reflecting the introduction of a “facility manager” system under which facility managers were assigned to be in charge of on-site management and administration in order to improve combined hourly facilities profit management, the inclusion of other personnel expenses in the cost of sales, and procurement costs for renewal construction orders.

In terms of selling, general and administrative expenses, the S.G. & A. ratio improved by 5.2% points to 22.2%. While listing expenses related to the listing on the first section of the Tokyo Stock Exchange were incurred, the portion of employee wages attributable to the new facility manager system were transferred to cost of sales, while other office rents declined on a move to new offices, and depreciation expenses declined resulting from the sale of directly owned facilities. As a result, there was a significant increase in operating income of 48.1% year-on-year to ¥434.505 million.

While dividends received from Taisei (¥5.332 million), JREIT (real estate investment trust) dividend income (¥1.367 million), gains from the sale of marketable securities (¥2.802 million) and gains from investment in silent partnerships (¥2.408 million) contributed to non-operating profit, ¥15.728 million in expenses related to the November stock split were recorded. As a result, ordinary profit grew 40.5% year-on-year to ¥429.994 million, while net income for the period increased by 59.8% to ¥265.604 million.

(b) Outlook for the Full Fiscal Year

While there is concern about the negative effect of higher oil prices and the strong yen on Japan's economy, the economy remains in a mild recovery trend. The Nittyu Group believes the increase in real estate securitization ahead of the introduction of impairment accounting and the trend to increased emphasis on profitability are positive factors for our business. By strengthening consulting at the design stage for new buildings with parking facilities, actively promoting renewal consulting for existing multistory parking facilities, and providing high value-added solutions, we believe that we can strengthen our transactions with financial institutions and life insurance companies in order to actively outsourcing contracts for parking facility administration and management from new JREITs parking facility funds and in-house created funds, thereby further enhancing customer awareness of our business.

We are forecasting consolidated sales of ¥4,641 million, ordinary profit of ¥950 million and net income of ¥545 million for the full fiscal year. In addition, our forecasts for sales by business segment are as follows.

	Amount (¥ million)	YoY Change (%)
Directly Managed Business	4,132	128.4
Leasing Business	180	103.8
Management Business	174	142.0
VA Services Business	136	277.8
Other Businesses	18	87.2
Total	4,641	129.5

**(2) Consolidated Financial Condition**

Cash and cash equivalents (hereafter, funds) on hand during the interim period reflected cash inflows from profit before taxes and minority interests of ¥455.248 million and ¥229.525 million from the sale of tangible fixed assets. On the other hand, there were cash outflows of ¥759.001 million for the purchase of investment securities, tax payments of ¥210.399 million and additional investment of ¥121.746 million in silent partnerships. Consequently, funds at the end of the period declined by ¥514.118 million from the end of the previous fiscal year to ¥727.701 million.

The status of respective cash flows during the period were as follows.

(Cash Flows From Operating Activities)

Net cash inflows from operating activities were ¥145.168 million, versus ¥138.404 million in the interim period a year prior. This mainly reflects the large increase in income before taxes and minority interests of ¥455.248 million (versus ¥297.257 million a year prior).

(Cash Flows from Investing Activities)

Net cash outflows from investing activities were ¥593.449 million (versus ¥4.576 million for the interim period a year prior). While there was cash inflow of ¥229.525 million from the sale of tangible assets and ¥69.257 million from the sale of investment securities, there was a ¥759.001 million outflow from the purchase of investment securities, and an additional ¥121.746 million outflow from additional investment in silent partnerships.

(Cash Flows from Financing Activities)

Net cash outflows from financing activities were ¥65.837 million (cash flows were not available for the prior period). While there was a ¥13.452 million cash inflow from the exercise of shareholder stock options, there was a cash outflow of ¥79.290 million for cash dividend payments.

The major cash flow indicators for the period are as follows.

	Three most recent three accounting periods			Two most recent fiscal years	
	Interim to January 2003	Interim to January 2004	Interim to January 2005	Fiscal Year to July 2003	Fiscal Year to July 2004
Shareholder Equity Ratio (%)	69.4	70.5	72.3	67.9	69.3
Current Value Base Equity Ratio (%)	—	1,172.8	2,876.6	1,566.6	1,920.4
Years to Repay Debt	—	—	—	—	—
Interest Coverage Ratio	—	408.2	210.8	4,906.9	1,361.9

( Notes ) Shareholders ' Equity Ratio: Shareholders ' Equity/Total Assets

Current Value Equity Ratio: Market Capitalization/Total Assets

Years to Recover Debt: Interest-bearing Debt/Operating Cash Flow

Interest Coverage Ratio: Operating Cash Flow/Interest Paid

1. All of the above are based on values contained in the consolidated financial statements.
2. Market capitalization is calculated using end of period stock price times end of period outstanding shares. However, as the end of period stock price for July 2003 reflects the share increase from a September 19, 2003 stock split, market capitalization has been adjusted reflecting an equivalent increase in shares from the stock split at the end of the period.
3. Operating cash flow used is operating cash flow as reflected in the statements of consolidated cash flows.
4. Interest-bearing debt used is that portion of debt reflected on the consolidated balance sheet for which interest paid. In addition, interest payments used is as reflected under interest paid in the consolidated statement of cash flows.

#### 4 . Interim Consolidated Financial Statements

\*English Translation of “KESSAN TANSHIN”

##### ( 1 ) Interim Consolidated Balance Sheet

Unit: Thousands of Yen	As of January 31, 2005		As of January 31, 2004		As of July 31, 2004	
	Amount	(% Total)	Amount	(% Total)	Amount	(% Total)
<b>(Assets)</b>						
<b>Current Assets</b>						
Cash and bank deposits	727,701		1,103,134		1,241,820	
Accounts receivable	28,278		18,297		20,922	
Deferred tax assets	15,214		14,089		19,185	
Advances	75,821		54,481		80,978	
Prepaid expenses	25,272		18,088		27,406	
Others	2,901		3,915		30,194	
Allowance for doubtful accounts	31		43		195	
<b>Total Current Assets</b>	<b>875,156</b>	<b>40.1</b>	<b>1,211,962</b>	<b>71.1</b>	<b>1,420,311</b>	<b>68.8</b>
<b>Fixed Assets</b>						
Tangible assets 1						
Buildings and structures	12,395		67,574		65,514	
Machinery and equipment	—		29,539		24,730	
Tools, instruments & fixtures	24,050		19,804		19,699	
Land	—		117,145		117,145	
Total tangible assets	36,445	1.7	234,063	13.7	227,089	11.0
Intangible assets						
Software	15,476		14,934		13,240	
Software under development	11,733		—		—	
Others	856		3,009		3,046	
Total intangible assets	28,066	1.3	17,944	1.1	16,286	0.8
Investments and other assets						
Investments in securities	685,644		—		—	
Investment in silent partnerships	322,188		32,300		207,621	
Deposits and Guarantees	216,443		207,109		189,986	
Deferred Tax Assets	18,032		254		3,069	
Others	107		80		80	
Total investments and other assets	1,242,415	56.9	239,744	14.1	400,757	19.4
<b>Total Fixed Assets</b>	<b>1,306,927</b>	<b>59.9</b>	<b>491,751</b>	<b>28.9</b>	<b>644,133</b>	<b>31.2</b>
<b>Total Assets</b>	<b>2,182,084</b>	<b>100.0</b>	<b>1,703,713</b>	<b>100.0</b>	<b>2,064,445</b>	<b>100.0</b>

Unit: Thousands of Yen	As of January 31, 2005		As of January 31, 2004		As of July 31, 2004	
	Amount	(% Total)	Amount	(% Total)	Amount	(% Total)
<b>(Liabilities)</b>						
<b>Current Liabilities</b>						
Accounts payable-trade	9,373		2,484		3,194	
Accrued amounts payable	22,677		29,906		35,978	
Accrued expenses	6,655		13,566		9,047	
Income taxes payable	188,439		131,583		209,596	
Consumption taxes payable 2	27,073		21,890		37,221	
Advances received	96,813		71,626		87,513	
Deposits received	23,227		27,250		30,545	
<b>Total Current Liabilities</b>	<b>374,260</b>	<b>17.2</b>	<b>298,309</b>	<b>17.5</b>	<b>413,097</b>	<b>20.0</b>
<b>Fixed Liabilities</b>						
Guarantees received	229,901		204,797		219,814	
<b>Total Fixed Liabilities</b>	<b>229,901</b>	<b>10.5</b>	<b>204,797</b>	<b>12.0</b>	<b>219,814</b>	<b>10.7</b>
<b>Total Liabilities</b>	<b>604,161</b>	<b>27.7</b>	<b>503,107</b>	<b>29.5</b>	<b>632,911</b>	<b>30.7</b>
<b>(Minority Interests)</b>						
Minority shareholder interest	—	—	—	—	—	—
<b>Shareholders' Equity</b>						
Common stock	441,526	20.2	427,917	25.1	427,917	20.7
Capital surplus	340,447	15.6	340,447	20.0	340,447	16.5
Retained earnings	816,483	37.4	432,241	25.4	663,168	32.1
Net unrealized gains on other securities holdings	20,534	0.9	—	—	—	—
<b>Total Shareholders' Equity</b>	<b>1,577,923</b>	<b>72.3</b>	<b>1,200,606</b>	<b>70.5</b>	<b>1,431,533</b>	<b>69.3</b>
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>2,182,084</b>	<b>100.0</b>	<b>1,703,713</b>	<b>100.0</b>	<b>2,064,445</b>	<b>100.0</b>

**( 2 ) Interim Consolidated Income Statement**

Unit: Thousands of Yen	Six Months from Aug. 1, 2004 to Jan. 31 2005		Six Months from Aug. 1, 2003 to Jan. 31 2004		Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)				
	Amount	(% Total)	Amount	(% Total)	Amount	(% Total)			
<b>Net Sales</b>		<b>2,130,783</b>	<b>100.0</b>		<b>1,660,157</b>	<b>100.0</b>		<b>3,583,353</b>	<b>100.0</b>
Cost of sales		1,222,826	57.4		910,733	54.9		1,934,663	54.0
Gross profit		907,956	42.6		749,423	45.1		1,648,689	46.0
Selling, general & administrative expenses 1		473,451	22.2		455,945	27.4		942,639	26.3
<b>Operating Income</b>		<b>434,505</b>	<b>20.4</b>		<b>293,477</b>	<b>17.7</b>		<b>706,050</b>	<b>19.7</b>
Non-Operating Income									
Interest income	6			8			16		
Dividend Income	6,699			2,237			2,607		
Gains from the sale of investment securities	2,802			9,781			10,437		
Gains from investment in silent partnerships	2,408			—			200		
Insurance reimbursements	—			4,019			4,019		
Miscellaneous Income	14	11,931	0.6	—	16,046	0.9	180	17,461	0.4
Non-Operating Expenses									
Interest Paid	688			339			339		
New share issuance expense	15,728			2,631			9,209		
Loss on the sale of investment securities	24			—			1,972		
Inaugural expenses	—			418			418		
Losses from investment in silent partnerships	—	16,441	0.8	—	3,388	0.2	458	12,397	0.3
<b>Ordinary Income</b>		<b>429,994</b>	<b>20.2</b>		<b>306,135</b>	<b>18.4</b>		<b>711,114</b>	<b>19.8</b>
Extraordinary Gains									
Gains on the sale of fixed assets 2	32,507			—			—		
Reversal of allowance for doubtful accounts	163	32,670	1.5	31	31	0.0	—	—	
Extraordinary Losses									
Losses on the sale of fixed assets 3	3,817			4,666			5,232		
Lease cancellation fees	—			—			250		
Office restoral fees	3,600	7,417	0.3	4,243	8,909	0.5	4,243	9,726	0.2
Income before income taxes and minority interests		455,248	21.4		297,257	17.9		701,388	19.6
Income taxes	186,547			131,804			312,919		
Income tax adjustments	3,096	189,643	8.9	786	131,018	7.9	8,697	304,222	8.5
<b>Net Income for the Period</b>		<b>265,604</b>	<b>12.5</b>		<b>166,238</b>	<b>10.0</b>		<b>397,165</b>	<b>11.1</b>

**( 3 ) Interim Consolidated Statement of Retained Earnings**

	Six Months from Aug. 1, 2004 to Jan. 31 2005		Six Months from Aug. 1, 2003 to Jan. 31 2004		Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)	
Unit: Thousands of Yen	Amount		Amount		Amount	
(Capital Surplus)						
Balance of capital surplus at the beginning of the period		340,447		340,447		340,447
Balance of capital surplus at the end of the period		340,447		340,447		340,447
(Retained Earnings)						
Retained earnings at the beginning of the period		663,168		266,003		266,003
Increase in retained earnings						
Net income for the period	265,604	265,604	166,238	166,238	397,165	397,165
Decrease in retained earnings						
Cash dividends	79,290		—		—	
Bonuses to directors	33,000	112,290	—	—	—	—
Balance of Retained Earnings at the End of the Period		816,483		432,241		663,168

**(4) Interim Consolidated Statement of Cash Flows**

	Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)
Unit: Thousands of Yen	Amount	Amount	Amount
<b>Cash Flows from Operating Activities</b>			
Income before income taxes and minority interests for the period	455,248	297,257	701,388
Depreciation expenses	7,046	12,089	25,201
Increase (decrease) in allowance for doubtful accounts	163	31	120
Gain on the sale of fixed assets	32,507	—	—
Loss on the retirement of fixed assets	3,817	4,666	5,232
Gain on the sale of investment securities	2,802	9,781	10,437
Loss on the sale of investment securities	24	—	1,972
Gain on investment in silent partnerships	2,408	—	200
Loss on investment in silent partnerships	—	—	458
New stock issue expense	156	—	—
Interest and dividends received	6,706	2,245	2,624
Interest paid	688	339	339
Increase in accounts receivable	7,356	3,408	6,033
Decrease (increase) in prepaid expenses	2,134	1,803	11,121
Decrease (increase) in advances paid	5,157	12,034	38,532
Increase in guarantees paid	32,234	16,334	35,532
Increase in notes and accounts payable	6,179	2,484	3,194
Increase in advances received	9,299	7,350	23,237
Increase (decrease) in accounts payable	15,495	712	18,047
Increase (decrease) in deposits received	7,317	220	3,515
Increase in guarantees received	10,087	16,562	31,579
Increase (decrease) in accrued expenses	2,391	8,514	3,995
Increase (decrease) in accrued consumption taxes	10,148	10,575	4,763
Director bonuses paid	33,000	—	—
Others	2,243	2,296	830
<b>Subtotal</b>	<b>349,549</b>	<b>291,686</b>	<b>717,732</b>
Interest and dividends received	6,706	2,245	2,624
Interest paid	688	339	339
Income taxes paid	210,399	155,188	258,291
<b>Net Cash Provided by Operating Activities</b>	<b>145,168</b>	<b>138,404</b>	<b>461,726</b>

	Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)
Unit: Thousands of Yen	Amount	Amount	Amount
<b>Cash Flows from Investing Activities</b>			
Acquisitions of fixed assets	10,891	3,647	19,870
Proceeds from the sale of fixed assets	229,525	—	—
Acquisitions of intangible assets	15,931	92	180
Acquisitions of investment securities	759,001	64,876	141,545
Proceeds from the sale of investment securities	69,257	139,946	187,546
Investments in silent partnerships	121,746	32,300	239,479
Proceeds from silent partnership payouts and closures	9,587	—	31,600
Payment of deposits	6,724	48,192	48,546
Returns of deposits paid	12,502	8,081	44,755
Others	26	5,658	5,658
<b>Net Cash Used in Investing Activities</b>	<b>593,449</b>	<b>4,576</b>	<b>180,059</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from the issuance of stock	13,452	—	—
Cash dividends	79,290	—	—
<b>Net Cash Used in Financing Activities</b>	<b>65,837</b>	<b>—</b>	<b>—</b>
Increase (decrease) in cash and cash equivalents	514,118	142,980	281,666
Cash and cash equivalents at the beginning of the period	1,241,820	960,153	960,153
Cash and cash equivalents at the end of the period	727,701	1,103,134	1,241,820

## Significant Accounting Policies Used in the Preparation of Interim Consolidated Financial Statements

Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)
<p>1 Scope of Consolidation</p> <p>Consolidated subsidiaries include two companies: Parking Professional Services Co., Ltd. and Market Makers Co., Ltd.</p>	<p>1 Scope of Consolidation</p> <p>Consolidated subsidiaries include two companies: Parking Professional Services Co., Ltd. and Market Makers Co., Ltd.</p> <p>Of the above, Market Makers Co., Ltd. was newly established and consolidated during the period</p>	<p>1 Scope of Consolidation</p> <p>Consolidated subsidiaries include two companies: Parking Professional Services Co., Ltd. and Market Makers Co., Ltd.</p> <p>Of the above, Market Makers Co., Ltd. was newly established and consolidated during the period</p>
<p>2 Application of Equity Method in Accounting for Investments</p> <p>(1) The company has no non-consolidated subsidiaries or affiliates reflected in consolidated accounts under the equity method.</p> <p>(2) The company has no non-consolidated subsidiaries or affiliates.</p>	<p>2 Application of Equity Method in Accounting for Investment</p> <p>Same as left.</p>	<p>2 Application of Equity Method in Accounting for Investment</p> <p>Same as left.</p>
<p>3 Six Month Period End for Consolidated Subsidiaries</p> <p>The six month end of period for consolidated subsidiaries is the same as the Parent.</p>	<p>3 Six Month Period-end for Consolidated Subsidiaries</p> <p>Same as left.</p>	<p>3 Fiscal Year Accounting Period End for Consolidated Subsidiaries</p> <p>The six month end of period for consolidated subsidiaries is the same as the Parent.</p>
<p>4 Significant Accounting Policies</p> <p>(1) Valuation method for major assets.</p> <p>(a) Marketable securities, other marketable securities</p> <p>Securities whose current value is available are valued at the quoted market price as of the end of the period (valuation differentials are calculated using the total capital applied method, using a liquidation cost based on the moving average method). Securities whose fair value is not available are valued at cost using the moving average method.</p> <p>(2) Depreciation and amortization method.</p> <p>(a) Fixed assets.</p> <p>Computed using the declining balance method. However, straight-line depreciation is used buildings purchased after April 1998 (excluding attached facilities). In addition useful lives applied are as follows:</p> <p>-Buildings and structures: 10~15 years.</p> <p>-Tools, instruments &amp; fixtures: 4~20 years</p>	<p>4 Significant Accounting Policies</p> <p>(1) Valuation method for major assets.</p> <p>(a) Marketable securities Same as left.</p> <p>(2) Depreciation and amortization method.</p> <p>(a) Fixed assets</p> <p>Computed using the declining balance method. However, straight-line depreciation is used buildings purchased after April 1999 (excluding attached facilities). In addition useful lives applied are as follows:</p> <p>-Buildings and structures: 10~15 years.</p> <p>-Tools, instruments &amp; fixtures: 4~20 years</p>	<p>4 Significant Accounting Policies</p> <p>(1) Valuation method for major assets.</p> <p>(a) Marketable securities, other marketable securities</p> <p>Securities whose current value is available are valued at the quoted market price as of the end of the period (valuation differentials are calculated using the total capital applied method, using a liquidation cost based on the moving average method). Securities whose fair value is not available are valued at cost using the moving average method.</p> <p>(2) Depreciation and amortization method.</p> <p>(a) Fixed assets</p> <p>Same as left.</p>

<p align="center"><b>Six Months from Aug. 1, 2004 to Jan. 31 2005</b></p>	<p align="center"><b>Six Months from Aug. 1, 2003 to Jan. 31 2004</b></p>	<p align="center"><b>Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)</b></p>
<p>(b) Intangible Assets</p> <p>Computed using the straight-line method. However software (for internal use) is depreciated using the straight line method based on a useful life for internal purposes of five (5) years.</p>	<p>(b) Intangible Assets</p> <p>Same as left</p>	<p>(b) Intangible Assets</p> <p>Same as left</p>
<p>(3) Allowances and Reserves</p> <p>(a) Allowance for doubtful accounts An allowance for doubtful accounts is used to provide against estimated losses. a-General receivables. Based on historical bad debt ratios b-Receivables for counterparties in danger of insolvency. Individually measured based on collectibility is considered.</p> <p>(4) Lease Contracts All finance leases except for those for which ownership of the leased assets is to be transferred to the lessee are accounted for as operating leases.</p> <p>(5) Other Notable Accounting Policies</p> <p>(a) Accounting for consumption tax Consumption tax is accounted for separately and excluded from gross amounts.</p> <p>5 Scope of Funds Included in Interim Consolidated Statements of Cash Flows</p> <p>Funds included in the interim consolidated statement of cash flows (cash and cash equivalents) consist of short-term, highly liquid investments, that are easily converted into available funds with minimal risk of price fluctuation, including cash on hand, demand deposits and time deposits maturing within three months of the date acquired.</p>	<p>(3) Allowances and Reserves</p> <p>(a) Allowance for doubtful accounts Same as left.</p> <p>(4) Lease Contracts Same as left.</p> <p>(5) Other Notable Accounting Policies</p> <p>(a) Accounting for consumption tax Same as left.</p> <p>5 Scope of Funds Included in Interim Consolidated Statements of Cash Flows</p> <p>Same as left.</p>	<p>(3) Allowances and Reserves</p> <p>(a) Allowance for doubtful accounts Same as left.</p> <p>(4) Lease Contracts Same as left.</p> <p>(5) Other Notable Accounting Policies</p> <p>(a) Accounting for consumption tax Same as left.</p> <p>5 Scope of Funds Included in Consolidated Statements of Cash Flows</p> <p>Funds included in the interim consolidated statement of cash flows (cash and cash equivalents) consist of short-term, highly liquid investments, that are easily converted into available funds with minimal risk of price fluctuation, including cash on hand, demand deposits and time deposits maturing within three months of the date acquired.</p>

Changes in Method of Disclosure

<p style="text-align: center;"><b>Six Months from Aug. 1, 2004 to Jan. 31 2005</b></p>	<p style="text-align: center;"><b>Six Months from Aug. 1, 2003 to Jan. 31 2004</b></p>
	<p>( Interim Consolidated Balance Sheet )</p> <p>1 “ Telephone subscription rights ” (amounting to ¥2,052,000 for the period) were included under intangible assets under “ Others ” because of the nominal value involved.</p> <p>2 “ Accrued expenses ” recorded under current liabilities as “ Others ” in the previous interim period (amounting to ¥4,938,000) were accounted for separately for the current period because of the size of these expenses.</p> <p>(Interim Consolidated Statement of Cash Flows)</p> <p>As the size of “Decreases in advances paid” for the period (amounting to ¥10,000) and “Decreases in accounts due” (amounting to ¥1,000) were not significant, these items have been included under “Others” in the statement of cash flows from operating activities.</p>

Notes to the Financial Statements

(Interim Consolidated Balance Sheet)

As of January 31, 2005	As of January 31, 2004	As of July 31, 2004
1 Accumulated depreciation on fixed assets ¥26,640,000	1 Accumulated depreciation on fixed assets ¥32,670,000	1 Accumulated depreciation on fixed assets ¥44,037,000
2 Consumption tax treatment Advance payments of consumption and other taxes are offset with advance receipts and are recorded as accrued consumption and other taxes due.	2 Consumption tax treatment Same as left	2 _____

(Interim Consolidated Income Statement)

Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)
1 Major items included in "selling, general and administrative expenses" are as follows. Salary and wages ¥139,141,000	1 Major items included in "selling, general and administrative expenses" are as follows. Directors' compensation ¥71,468,000 Salary and wages ¥145,947,000 Rent ¥48,631,000	1 Major items included in "selling, general and administrative expenses" are as follows. Directors' compensation ¥136,652,000 Salary and wages ¥307,465,000
2 The breakdown of gains from the sale of fixed assets is as follows. Buildings & machinery ¥10,627,000 Land ¥21,879,000 <u>Total ¥32,507,000</u>	2 The breakdown of gains from the sale of fixed assets is as follows. Buildings & machinery ¥4,666,000	2 The breakdown of gains from the sale of fixed assets is as follows. Buildings & machinery ¥4,666,000 Tools, instruments & fixtures ¥566,000 <u>Total ¥5,232,000</u>
3 The breakdown of losses on the sale of fixed assets is as follows. Buildings & machinery ¥1,660,000 Telephone subscription rights ¥2,156,000 <u>Total ¥3,817,000</u>		

(Interim Consolidated Statement of Cash Flows)

Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)
Reconciliation of cash and cash equivalent amounts at the end of the period and amounts in the balance sheet for the period. (January 31, 2005)	Reconciliation of cash and cash equivalent amounts at the end of the period and amounts in the balance sheet for the period. (January 31, 2004)	Reconciliation of cash and cash equivalent amounts at the end of the period and amounts in the balance sheet for the period. (July 31, 2004)
Cash and bank deposits ¥727.701 mln	Cash and bank deposits ¥1,103.134 mln	Cash and bank deposits ¥1,241.820 mln
Cash and cash equivalents ¥727.701 mln	Cash and cash equivalents ¥1,103.134 mln	Cash and cash equivalents ¥1,241.820 mln

## (Lease Transactions)

Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)																																																												
For finance leases other than those for which ownership is transferred to the lessee. 1 Lease equivalent purchase cost, cumulative depreciation and end of period balances.	For finance leases other than those for which ownership is transferred to the lessee. 1 Lease equivalent purchase cost, cumulative depreciation and end of period balances.	For finance leases other than those for which ownership is transferred to the lessee. 1 Lease equivalent purchase cost, cumulative depreciation and end of period balances.																																																												
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2 End of period value of unexpired leases Under 1 year                    ¥5,565,000 Over 1 year                      ¥8,495,000 <hr/> Total                                ¥14,060,000	2 End of period value of unexpired leases Under 1 year                    ¥6,434,000 Over 1 year                      ¥9,817,000 <hr/> Total                                ¥16,252,000	2 End of period value of unexpired leases Under 1 year                    ¥6,100,000 Over 1 year                      ¥10,253,000 <hr/> Total                                ¥16,353,000																																																												
3 Lease payment, equivalent depreciation value and equivalent interest paid. Lease payment                    ¥3,262,000 Equivalent depreciation        ¥2,978,000 Equivalent interest paid.        ¥192,000	3 Lease payment, equivalent depreciation value and equivalent interest paid. Lease payment                    ¥4,443,000 Equivalent depreciation        ¥3,630,000 Equivalent interest paid        ¥326,000	3 Lease payment, equivalent depreciation value and equivalent interest paid. Lease payment                    ¥7,355,000 Equivalent depreciation        ¥6,624,000 Equivalent interest paid        ¥575,000																																																												
4 Method for calculating equivalent depreciation amount. Straight-line depreciation, assuming the lease period as the years of useful life for calculating the outstanding balance.	4 Method for calculating equivalent depreciation amount. Same as left.	4 Method for calculating equivalent depreciation amount. Same as left.																																																												
5 Method of calculating equivalent interest. Equivalent interest is the difference between total lease payments and the equivalent purchase cost of the lease, with the interest rate method being used to allocate interest paid for each period.	5 Method of calculating equivalent interest. Same as left.	5 Method of calculating equivalent interest. Same as left																																																												

(Marketable Securities)

End of the Current Interim Consolidated Period ( January 31, 2005 )

1 Current Market Value of Other Marketable Securities ( Unit: ¥000 )

Security	Purchase Cost	Reported Book Value as of Jan. 31, 2005	Difference
Stocks	720,266	685,644	34,622
Bonds	—	—	—
Others	—	—	—
Subtotal	720,266	685,644	34,622

2 Other Marketable Securities Sold During the Period ( Between Aug. 1, 2004 and Jan. 31, 2005 )

( Unit: ¥000 )

Liquidation Value	Liquidation Gain	Liquidation Loss
41,513	2,802	24

As of January 31, 2004

1 Current Value Other Marketable Securities ( Unit: ¥000 )

Security	Purchase Cost	Reported Book Value as of Jan. 31, 2004	Difference
Stocks	—	—	—
Bonds	—	—	—
Others	—	—	—
Subtotal	—	—	—

2 Other Marketable Securities Sold During the Previous Period ( Between Aug. 1, 2003 and Jan. 31, 2004 )

( Unit: ¥000 )

Liquidation Value	Liquidation Gain	Liquidation Loss
139,946	9,781	—

As of July 31, 2004

1 Other Marketable Securities

( Unit: ¥000 )

	Security	Purchase Cost	Reported Book Value as of July 31, 2004	Difference
Where book value exceeds purchase cost	Stocks	—	—	—
	Bonds	—	—	—
	Others	—	—	—
	Subtotal	—	—	—
Where book value is less than purchase cost	Stocks	—	—	—
	Bonds	—	—	—
	Others	—	—	—
	Subtotal	—	—	—
Total		—	—	—

2 Other Marketable Securities Sold During the Period ( Between Aug. 1, 2003 and July 31, 2004 ) ( Unit: ¥000 )

Liquidation Value	Liquidation Gain	Liquidation Loss
215,298	10,437	1,972

(Derivative Transactions)

The company does not engage in any derivatives transactions.

(Segment Information)

**【Segment Information by Business Category】**

For the interim consolidated period under review (from August 1, 2004 to January 31, 2005) and for the prior interim consolidated period (from August 1, 2003 to January 31, 2005);

The main business activity of the Nittyu Group is the management and administration of parking facilities, and as the sales, operating profits and assets from management and administration of parking facilities business accounts for over 90% of total sales, operating profits and assets, no segment information has been included.

**【Segment Information by Geographical Area】**

For the interim consolidated period under review (from August 1, 2004 to January 31, 2005) and for the prior interim consolidated period (from August 1, 2003 to January 31, 2005);

The company has no operations or consolidated subsidiaries located outside of Japan.

**【Overseas Sales】**

For the interim consolidated period under review (from August 1, 2004 to January 31, 2005) and for the prior interim consolidated period (from August 1, 2003 to January 31, 2004);

The company has no overseas sales.

(Per Share Information)

Six Months from Aug. 1, 2004 to Jan. 31 2005		Six Months from Aug. 1, 2003 to Jan. 31 2004		Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)																	
Book value per share	¥471.10	Book value per share	¥22,712.95	Book value per share	¥8,819.10																
Earnings per share	¥79.63	Earnings per share	¥3,144.88	Earnings per share	¥2,296.42																
Fully diluted		Fully diluted		Fully diluted																	
Earnings per share	¥77.19	Earnings per share	¥3,071.92円	Earnings per share	¥2,232.18																
<p>The company effected a 1:3 stock split on July 20, 2004, and assuming the stock split occurred at the beginning of the period, per share information would be as follows.</p>		<p>The company effected a 1:3 stock split on September 19, 2003, and assuming the stock split occurred at the beginning of the period, per share information would be as follows.</p>		<p>The company effected two 1:3 stock splits on September 19, 2003 and on July 20, 2004, and assuming the stock splits occurred at the beginning of the period, per share information would be as follows.</p>																	
Book value per share	¥7,570.98	<table border="1"> <thead> <tr> <th>Previous Consolidated Interim Period</th> <th>Previous Consolidated Fiscal Year</th> </tr> </thead> <tbody> <tr> <td>Book value per share</td> <td>Book value per share</td> </tr> <tr> <td>¥15,420.13</td> <td>¥19,622.02</td> </tr> <tr> <td>Earnings per share</td> <td>Earnings per share</td> </tr> <tr> <td>¥1,482.79</td> <td>¥4,304.44</td> </tr> <tr> <td colspan="2"> <p>While a stock option system was introduced during the period, as the company's securities were not listed or registered at the time, this has not been reflected in fully diluted shares because it is not possible to determine the average stock price during the period.</p> </td> </tr> <tr> <td colspan="2"> <td>Fully diluted Earnings per share</td> <td>¥4,208.02</td> </td></tr> </tbody> </table>		Previous Consolidated Interim Period	Previous Consolidated Fiscal Year	Book value per share	Book value per share	¥15,420.13	¥19,622.02	Earnings per share	Earnings per share	¥1,482.79	¥4,304.44	<p>While a stock option system was introduced during the period, as the company's securities were not listed or registered at the time, this has not been reflected in fully diluted shares because it is not possible to determine the average stock price during the period.</p>		<td>Fully diluted Earnings per share</td> <td>¥4,208.02</td>		Fully diluted Earnings per share	¥4,208.02	Book value per share	¥6,540.67
Previous Consolidated Interim Period	Previous Consolidated Fiscal Year																				
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<td>Fully diluted Earnings per share</td> <td>¥4,208.02</td>		Fully diluted Earnings per share	¥4,208.02																		
Earnings per share	¥1,048.29			Earnings per share	¥1,434.81																
Fully diluted				Fully diluted																	
Earnings per share	¥1,023.97			Earnings per share	¥1,402.67																
<p>The company effected a 1:21 stock split on November 19, 2004, and assuming the stock split occurred at the beginning of the period, per share information would be as follows.</p>																					
<table border="1"> <thead> <tr> <th>Previous Consolidated Interim Period</th> <th>Previous Consolidated Fiscal Year</th> </tr> </thead> <tbody> <tr> <td>Book value per share</td> <td>Book value per share</td> </tr> <tr> <td>¥360.52</td> <td>¥419.96</td> </tr> <tr> <td>Earnings per share</td> <td>Earnings per share</td> </tr> <tr> <td>¥49.92</td> <td>¥109.35</td> </tr> <tr> <td>Fully diluted Earnings per share</td> <td>Fully diluted Earnings per share</td> </tr> <tr> <td>¥48.76</td> <td>¥106.29</td> </tr> </tbody> </table>		Previous Consolidated Interim Period	Previous Consolidated Fiscal Year	Book value per share	Book value per share	¥360.52	¥419.96	Earnings per share	Earnings per share	¥49.92	¥109.35	Fully diluted Earnings per share	Fully diluted Earnings per share	¥48.76	¥106.29						
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## (Note) Historical Calculation of Earnings Per Share and Fully Diluted Earnings Per Share

	Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)
Earnings per Share			
Net income	¥265,604,000	¥166,238,000	¥397,165,000
Amount not attributable to common shareholders	—	—	¥33,000,000
Net income attributable to common shareholders	¥265,604,000	¥166,238,000	¥364,165,000
Average common shares outstanding during the period	3,335,412 shares	52,860 shares	158,580 shares
Fully diluted earnings per share			
Net income adjustment	—	—	—
Increase in common shares	105,577 shares	1,255 shares	4,563 shares
...Of which are stock options	105,577 shares	1,255 shares	4,563 shares
Overview of potential shares not included in calculation of fully diluted earnings per share because there was no dilution effect.	—	Issued stock options approved at a regular shareholder meeting on October 29, 2003. --824 common shares at an exercise price of ¥397,616	Issued stock options approved at a regular shareholder meeting on October 29, 2003. --176 shares at an exercise price of ¥375,232

(Other Important Additional Items)

Six Months from Aug. 1, 2004 to Jan. 31 2005	Six Months from Aug. 1, 2003 to Jan. 31 2004	Prior Fiscal Year (Aug. 1, 2003 to July 31, 2004)												
<p>-----</p>	<p>On March 12, 2004, the Board of Directors passed a resolution to increase outstanding shares through a stock split as follows.</p> <p>(1) A 1:3 stock split is to be effected on July 20, 2004.</p> <p>(2) The resulting increase in outstanding shares will be: Common stock 105,720 shares</p> <p>(3) Method of split Shareholders of record as of May 31, 2004 will be issued three new shares for every one share held.</p> <p>(4) Dividend date February 1, 2004</p> <p>Assuming that the stock split occurred at the beginning of the period, per share information for the current interim period, the prior interim and the prior fiscal year are as follows.</p> <table border="1" data-bbox="507 987 943 1993"> <thead> <tr> <th>Current interim</th> <th>Previous interim</th> <th>Previous fiscal year</th> </tr> </thead> <tbody> <tr> <td>Book value per share ¥7,570.98</td> <td>Book value per share ¥5,140.04</td> <td>Book value per share ¥6,540.67</td> </tr> <tr> <td>Earnings per share ¥1,048.29</td> <td>Earnings per share ¥494.26</td> <td>Earnings per share ¥1,434.81</td> </tr> <tr> <td>Fully diluted earnings per share ¥1,023.97</td> <td>While a stock option system was introduced during the period, as the company's securities were not listed or registered at the time, this has not been reflected in fully diluted shares because it is not possible to determine the average stock price during the period.</td> <td>Fully diluted earnings per share ¥1,402.67</td> </tr> </tbody> </table>	Current interim	Previous interim	Previous fiscal year	Book value per share ¥7,570.98	Book value per share ¥5,140.04	Book value per share ¥6,540.67	Earnings per share ¥1,048.29	Earnings per share ¥494.26	Earnings per share ¥1,434.81	Fully diluted earnings per share ¥1,023.97	While a stock option system was introduced during the period, as the company's securities were not listed or registered at the time, this has not been reflected in fully diluted shares because it is not possible to determine the average stock price during the period.	Fully diluted earnings per share ¥1,402.67	<p>In order to more efficiently utilize assets and management resources, the company signed a contract to sell on August 9, 2004 and sold land holdings. The major points of the contract were as follows.</p> <p>(1) Name of purchaser F.S. Planning Co., Ltd.</p> <p>(2) Type of property sold 379.50 m<sup>2</sup> of land, offices and multilevel parking facility.</p> <p>(3) Date transferred August 9, 2004</p> <p>(4) Value of the sale ¥229,525,000 (excluding consumption tax)</p> <p>On September 10, 2004, the Board of Directors resolved to increase outstanding shares through a stock split as follows.</p> <p>(1) A 1:21 stock split is to be effected on November 19, 2004.</p> <p>(2) Shares that will increase with the split</p> <p>The number of outstanding common shares as of September 30, 2004 will be increased by a factor of 20. Moreover, the exact amount of the number of increased shares is not clear because of the possibility of an increase in shares from the conversion of stock options between the date of the Board of Directors' resolution and the date of the stock split. Thus the exact amount of outstanding shares will not be known until the date of the stock split.</p> <p>Based on the number of total outstanding shares as of September 10, 2004;</p> <p>Total outstanding Present total outstanding shares 158,715 shares Increase from the split 3,174,300 shares Resulting total outstanding shares 3,333,015 shares</p> <p>(3) Method of Split Shareholders of record as of September 30, 2004 will be issued 21 shares for every one share held.</p> <p>(4) Dividend date August 1, 2004</p>
Current interim	Previous interim	Previous fiscal year												
Book value per share ¥7,570.98	Book value per share ¥5,140.04	Book value per share ¥6,540.67												
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