

August 25, 2006

Bell-Park Co., Ltd.  
President & CEO: Takeru Nishikawa  
(Stock code: 9441 JASDAQ)

## Notice of Amendment of the Presentation Materials

Bell-Park notice that we have made following corrections in the “Results of Operations for Six Months ended June 30, 2006” disclosed on August 10, 2006.

- **Amendment to the title of the table on page 26**

**(Before amendment)**

**“Quarterly Performance of Mobile Phone Sales Business”**

**(After amendment)**

**“<Reference> Consolidated Quarterly Sales and Earnings”**

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*Bell-Park*

# Results of Operations

Six months ended June 30, 2006

August 10, 2006

Bell-Park Co., Ltd.

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**JASDAQ**  
(Stock code: 9441)

<http://www.bellpark.co.jp/>

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# I Interim Financial Highlights

## I-1 Consolidated Highlights

# First Half Summary

## ➤ Mobile phone sales business

- Strengthened corporate sales and opened more stores (four new Vodafone shops and one acquisition) in line with our strategic objectives.
- Some benefits of Softbank's acquisition of Vodafone are already appearing, notably strong sales of one-seg handsets due to the large volume of advertisements.

However, mobile phone sales were weak outside the one-seg category. Following Softbank's Vodafone acquisition, Softbank has announced almost no specific information about new initiatives. Customers are putting off purchases as they wait for the start of mobile phone number portability (MNP) and concrete benefits associated with the switch to the Softbank brand. As a result, operating income in this business decreased 14.8% from one year earlier to 583 million yen.

## ➤ Network business

- This business was downsized as Bell-Park placed emphasis on improving profitability. Performance benefited from temporary revisions by communications carriers to the determination of commissions and from a decline in the short-term cancellation reserve due to a lower cancellation rate resulting from improvements in the application procedure. The result was an operating loss of 2 million yen compared with a 104 million yen loss one year earlier.

## ➤ Stuffing services business

- Since this business became profitable in the second half of 2005, Bell-Park made additional investments in 2006, mainly to open an office in Osaka. Although sales increased, up-front investments for future growth resulted in an operating loss of 12 million yen compared with a 34 million yen loss one year earlier.

Overall, first half consolidated ordinary income decreased 2.1% YoY to 363 million yen.

# Analysis of First Half Consolidated Results

(million yen, %)

(million yen)

|                                    | 1H 2005 |       | 1H 2006 |       | YoY change |       | Remarks   |
|------------------------------------|---------|-------|---------|-------|------------|-------|---|
|                                    | Amount  | Comp. | Amount  | Comp. | Amount     | Comp. |   |
| <b>Net sales</b>                   | 11,484  | 100.0 | 11,610  | 100.0 | +126       | +1.1  | 1) Mobile: -211<br>2) Network: +80<br>3) Staffing: +258<br>Mainly reflects lower sales of upgraded handsets<br>The number of subscriptions sold declined, but there was a reversal of the cancellation reserve and other items (due to lower allowance YoY +46; reversal of reserve +45 ); review of terms for commissions +32; cancellation adjustment payments +14<br>Increase in the number of individuals on assignment and the number of sales bases |
| <b>Gross profit</b>                | 2,123   | 18.5  | 2,443   | 21.1  | +320       | +15.0 | 1) Mobile: +122<br>2) Network: +137<br>3) Staffing: +60<br>Number of shops increased, but sales of new and upgraded handsets were roughly flat<br>Stock commissions -40; sales of accessories -55; credit card agency services +38; other support payments +69<br>Due to higher sales as well as lower payments of commissions to other sales agents<br>Same reasons as for sales growth  |
| <b>SG&amp;A expenses</b>           | 1,755   | 15.3  | 2,086   | 18.0  | +331       | +18.8 | 1) Mobile: +224<br>2) Network: +36<br>3) Staffing: +37<br>4) Administrative: +33<br>11 additional shops +115; personnel expenses to strengthen corporate sales, sales agent sales and head office operations +105<br>Personnel expenses +40 (new Osaka office, etc.), communication expenses -7<br>Growth in personnel and recruiting expenses, etc.<br>Larger workforce in administrative departments, etc.  |
| <b>Operating income</b>            | 367     | 3.2   | 356     | 3.1   | -11        | -2.9  | Same as above reasons   |
| <b>Ordinary income</b>             | 371     | 3.2   | 363     | 3.1   | -8         | -2.1  | Same as above reasons   |
| <b>Extraordinary income (loss)</b> | -15     | -0.1  | 0.8     | 0.0   | +15.8      | -     | Gain on sales of investment securities +30, impairment loss -17   |
| <b>Income before income taxes</b>  | 356     | 3.1   | 364     | 3.1   | +8         | +2.2  | Same as above reasons   |
| <b>Net income</b>                  | 165     | 1.4   | 194     | 1.7   | +29        | +17.5 | Above reasons and lower income taxes  |

# I Interim Financial Highlights

## I-2 Business Results by Operating Segment

# First Half Operating Results by Business Segment

A discussion of operating segment performance begins on the following page.

(million yen, %)

|                                    | 1H 2005 Results |                  | 1H 2006 Results |                  | YoY change (%) |                  | 1H 2006 Initial plan |                  | 1H 2006 Achievement ratio |                  |
|------------------------------------|-----------------|------------------|-----------------|------------------|----------------|------------------|----------------------|------------------|---------------------------|------------------|
|                                    | Net sales       | Operating income | Net sales       | Operating income | Net sales      | Operating income | Net sales            | Operating income | Net sales                 | Operating income |
| <b>Mobile phone sales business</b> | 10,876          | 685              | 10,663          | 583              | -2%            | -15%             | 12,400               | 720              | 86%                       | 81%              |
| <b>Network business</b>            | 284             | -104             | 364             | -2               | +28%           | -                | 300                  | -40              | 121%                      | -                |
| <b>Staffing services business</b>  | 361             | -34              | 714             | -12              | +98%           | -                | 650                  | -5               | 110%                      | -                |
| <b>Elimination or corporate</b>    | -37             | -178             | -131            | -212             | -              | -                | -50                  | -245             | -                         | -                |
| <b>Consolidation</b>               | 11,484          | 367              | 11,610          | 356              | +1%            | -3%              | 13,300               | 430              | 87%                       | 83%              |

# Mobile Phone Sales Business

# Mobile Phone Sales Business: Summary

(million yen, %)

|                  | 1H 2005 Results | 1H 2006 Results | YoY change (%) | 1H 2006 Initial plan | 1H 2006 Achievement ratio |
|------------------|-----------------|-----------------|----------------|----------------------|---------------------------|
| Net sales        | 10,876          | 10,663          | -2%            | 12,400               | 86%                       |
| Operating income | 685             | 583             | -15%           | 720                  | 81%                       |

## First Half of 2006 -Operating Environment

- Softbank acquired Vodafone in April 2006, an event that was not included in Bell-Park's plans. Although the acquisition made headlines, Softbank has not announced any new initiatives, other than concerning one-seg handsets (905SH), so the acquisition has not yet produced benefits for Bell-Park.
- Demand for Vodafone products and services was not as strong as had been planned, creating an extremely difficult operating environment. Vodafone was impacted by au's strong performance and DoCoMo's comeback. Demand was also held down as individuals await the October start of MNP and the expected benefits of the switch from Vodafone to the Softbank brand.

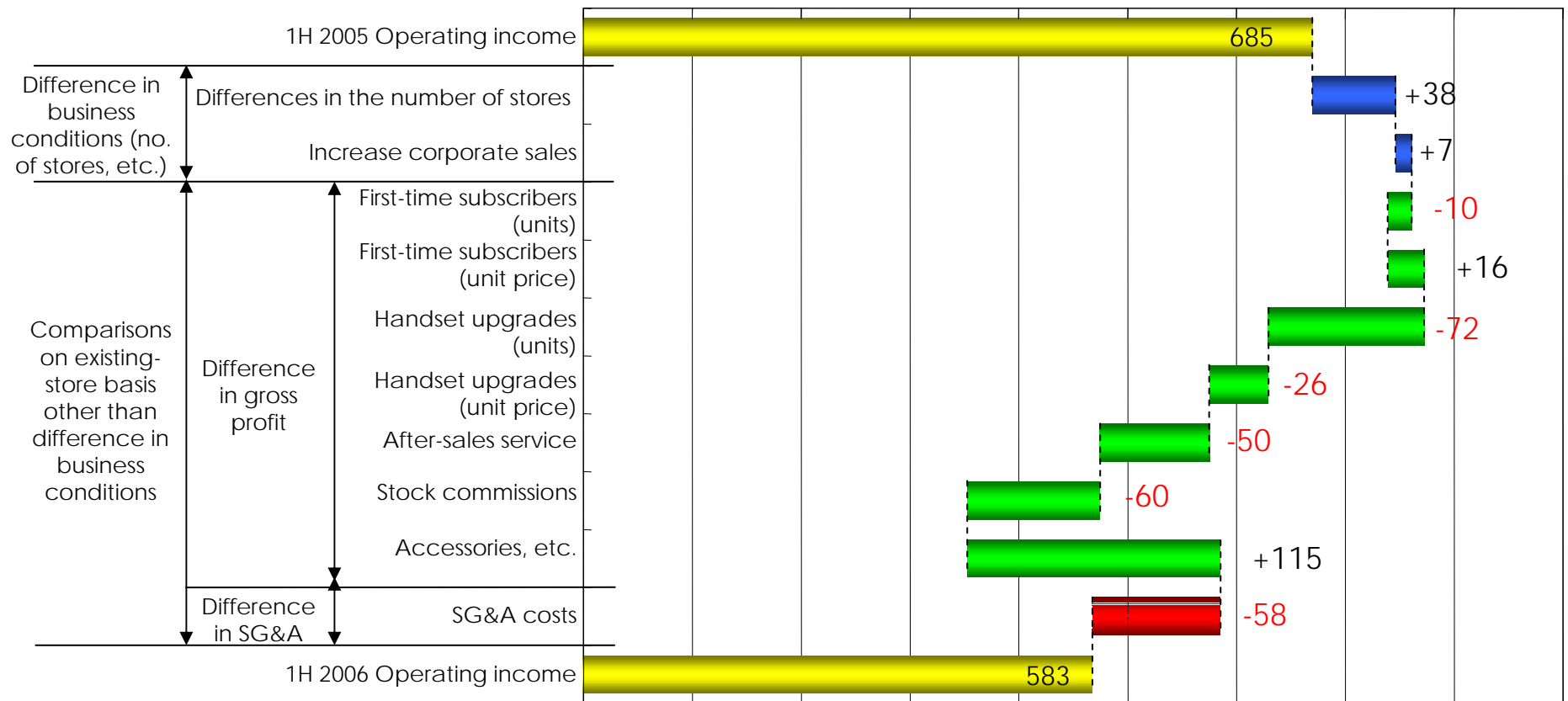
## First Half of 2006 -Measures and Achievements

- Bell-Park reinforced corporate sales and added five stores, but challenging market conditions kept gross profit from new and upgraded handsets level with 1H 2005 (gross profit fell ¥92mn excluding growth from corporate sales and new shops). In addition, to increase gross profit, Bell-Park focused on the rising demand for 3G accessories, backed by growing sales of 3G handsets, and on agency sales of credit cards. The result was YoY gross profit growth of ¥122mn.
- Due mainly to growth in corporate sales personnel and the number of stores, SG&A expenses rose ¥224mn.
- The result was a 15% decline in operating income to ¥583mn.

# Mobile Phone Sales Business: Factors Affecting Profitability

(million yen)

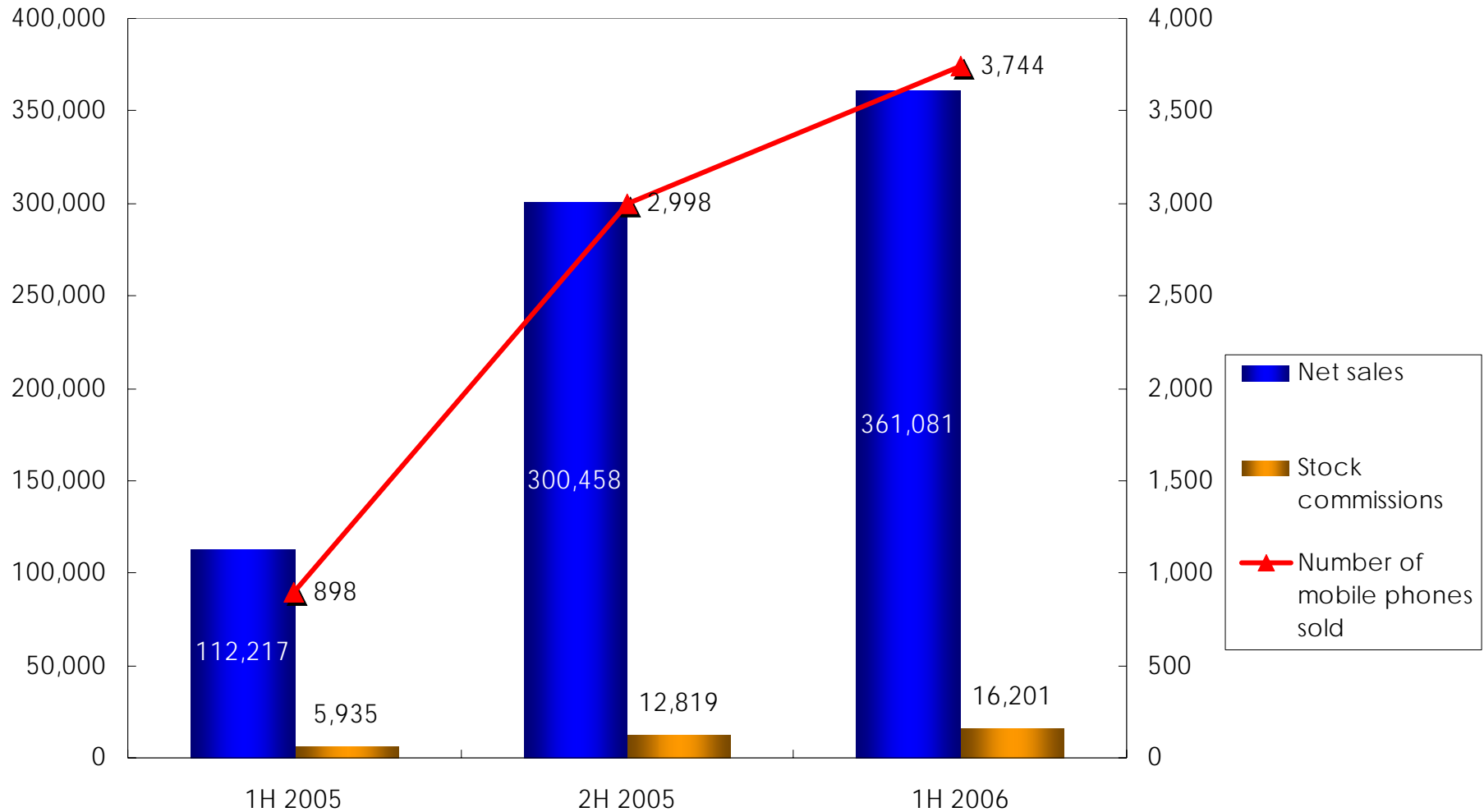
350 400 450 500 550 600 650 700 750 800



# Corporate Sales

(thousand yen)

(Unit)



# Network Business

# Network Business: Summary

(million yen, %)

|                  | 1H 2005 Results | 1H 2006 Results | YoY change (%) | 1H 2006 Initial plan | 1H 2006 Achievement ratio |
|------------------|-----------------|-----------------|----------------|----------------------|---------------------------|
| Net sales        | 284             | 364             | +28%           | 300                  | 121%                      |
| Operating income | -104            | -2              | -              | -40                  | -                         |

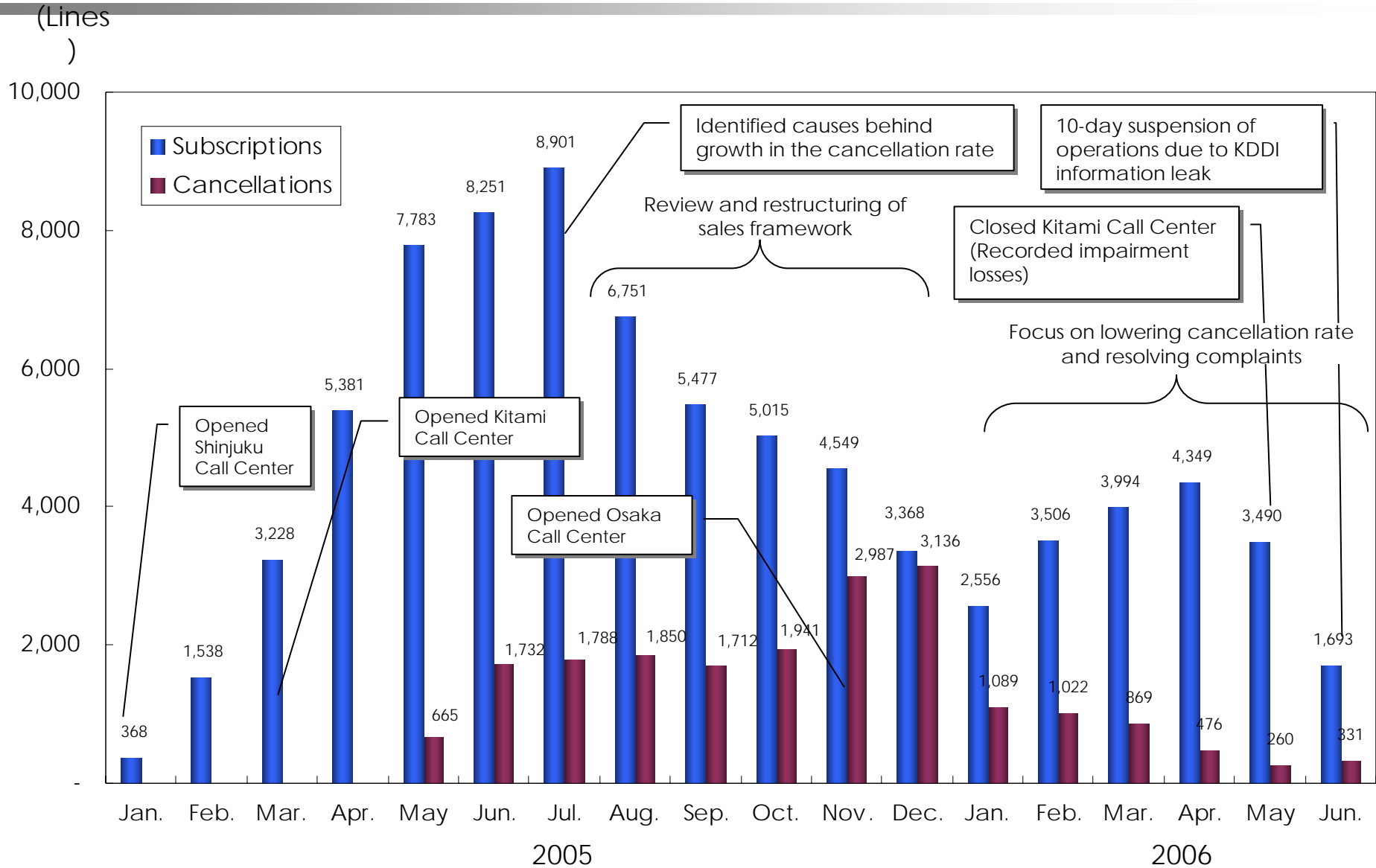
## First Half of 2006 -Operating Environment

- The primary product sold by Bell-Park is the “KDDI Metal Plus” direct-collection-type fixed-line telephone service. During the first half, KDDI took aggressive actions to expand this business, such as by strengthening its partnerships with sales agents. However, KDDI ultimately decided to limit its investments in “KDDI Metal Plus” for individuals. Bell-Park encountered extremely challenging market conditions due to a decline in total subscriptions in this market as well as to the adoption in June of more stringent terms for commissions.

## First Half of 2006 -Measures and Achievements

- Bell-Park reduced the number of call centers from three to two (Shinjuku and Osaka) by closing the Kitami Call Center (resulted in a first half impairment losses), reduced the Osaka Call Center workforce and took other steps to downsize operations in order to boost efficiency and improve profitability.
- In addition to the above actions, performance benefited from a ¥45mn decline in the short-term cancellation reserve in conjunction with a temporary revision of commission terms by communications carriers and improved application procedures. The result was an operating loss of ¥2mn compared with a ¥104mn yen loss one year earlier. Closing the Kitami Call Center caused impairment losses of ¥17mn.

# Network Business: *KDDI Metal Plus Service*



# Staffing Services Business

# Staffing Services Business: Summary

(million yen, %)

|                  | 1H 2005<br>Results | 1H 2006<br>Results | YoY change (%) | 1H 2006<br>Initial plan | 1H 2006<br>Achievement ratio |
|------------------|--------------------|--------------------|----------------|-------------------------|------------------------------|
| Net sales        | 361                | 714                | +98%           | 650                     | 110%                         |
| Operating income | -34                | -12                | -              | -5                      | -                            |

## First Half of 2006 -Operating Environment

- Demand remains strong at both existing temporary staffing clients and other companies for the supply of mobile phone sales personnel.
- However, Japan's economic recovery is having a growing impact on recruiting activities. Compared with 2005, staffing companies are finding it more difficult to hire new workers as companies switch from temporary to permanent employees and as workers switch to jobs with better benefits.

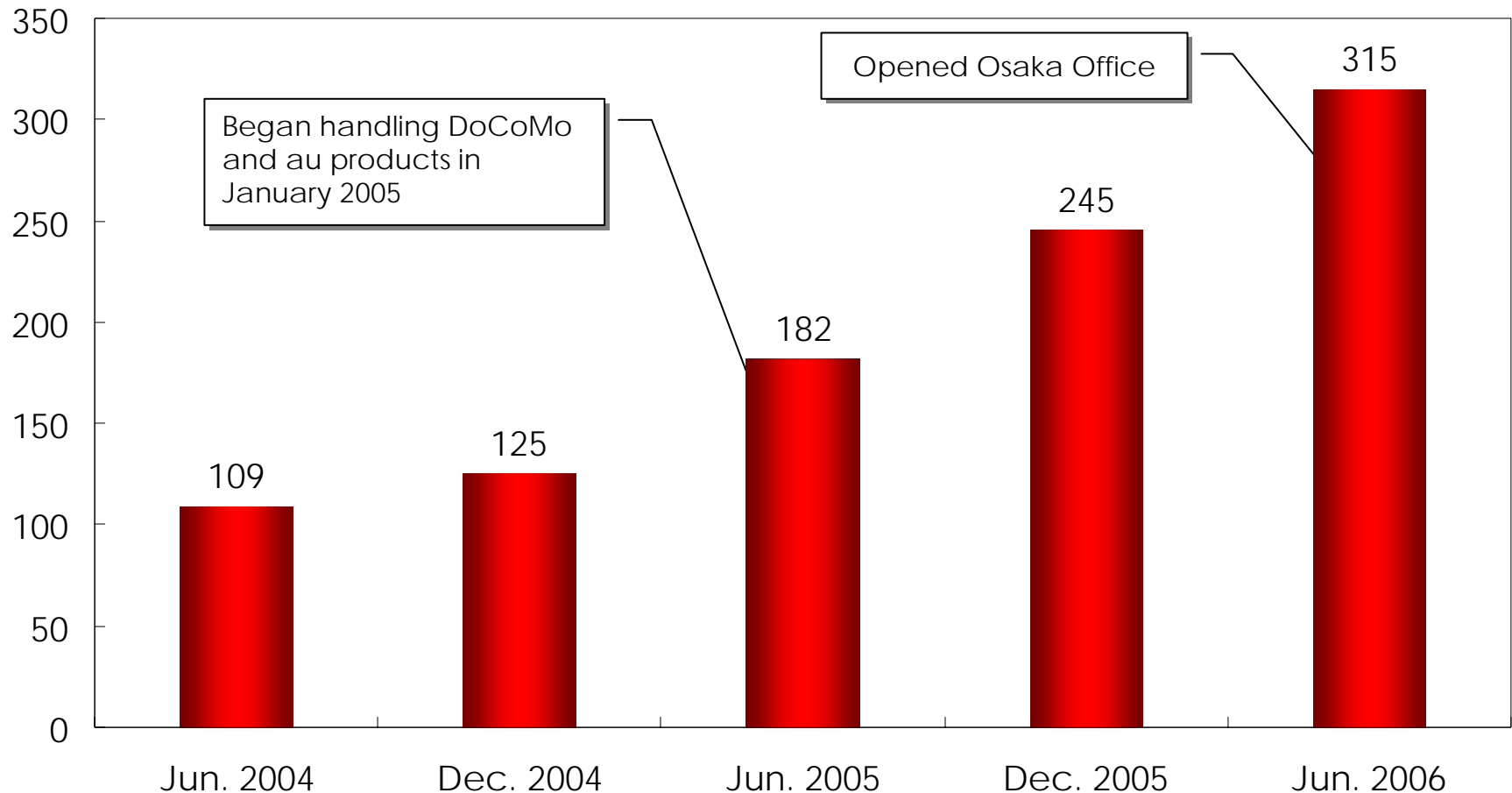
## First Half of 2006 -Measures and Achievements

- Including the contribution of the new Osaka office, there was 28.6% growth (70 individuals) in personnel placed during the first half and sales growth continued, rising 98% YoY and 25% compared with the second half of 2005.
- However, since growth of the staffing services business requires up-front investments, there was an operating loss of ¥12mn compared with a ¥34mn yen loss one year earlier and a ¥4mn profit in the second half of 2005.

# Staffing Services Business: Track Record

YoY growth in personnel placed of 28.6% as of end of June 2006  
(from 245 in Dec. 2005 to 315 in Jun. 2006)

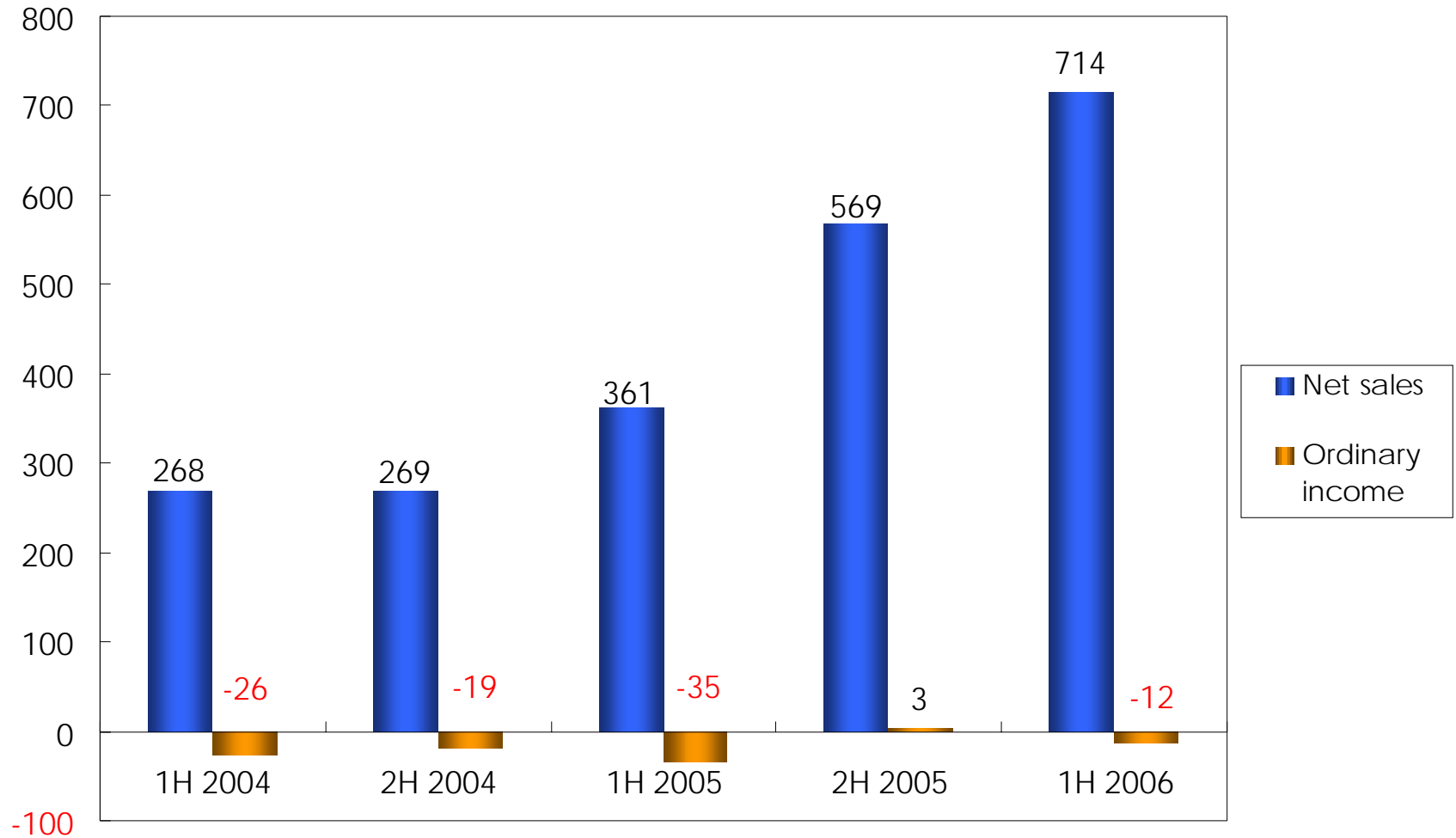
(Number of placement at the end of period)



# Staffing Services Business: Sales and Earnings (Semi-annual)

Acquired in 2003, posting steady sales growth following 2004 specialization in staffing services

(million yen)



## II Second Half of 2006 Management Policies

~Transforming change into opportunities~

# Outlook for Second Half of 2006

## ➤ Start of MNP

- MNP systems plans to be started on October 24, 2006. Bell-Park believes it is very likely that individuals will delay purchases until the system begins. These delays have already affected first half results.
- Sales are likely to climb once MNP begins due to the accumulated demand from individuals who had been waiting. But the impact of MNP on the market as a whole is uncertain.

## ➤ Switch from Vodafone to the Softbank brand

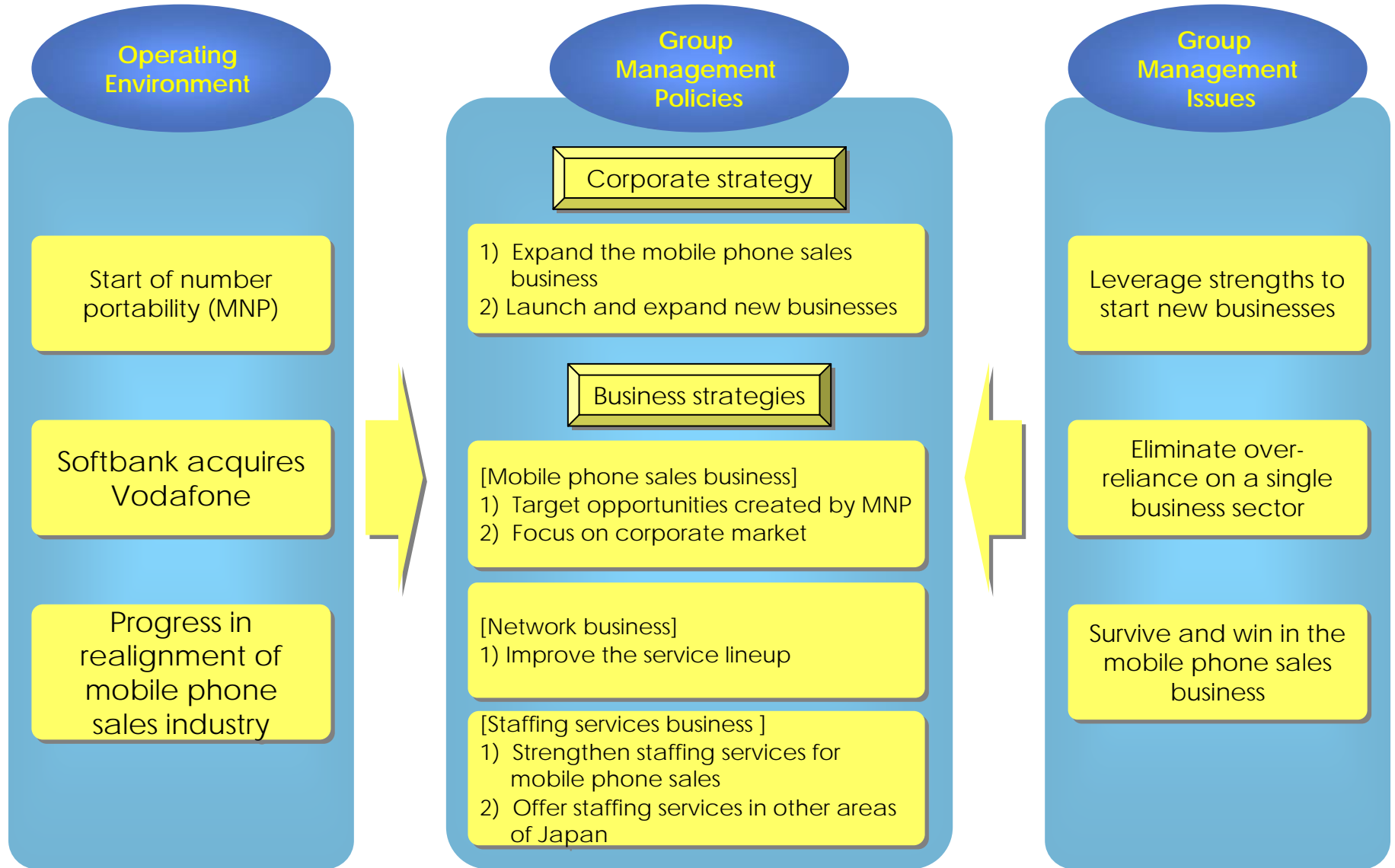
- Following the October 2006 switch to the Softbank brand, Bell-Park has great expectations for aggressive operations that are faster and meet customer needs more accurately than was possible under the Vodafone Group's management.

As of August, though, the Softbank Group has not yet supplied sufficient information concerning its upcoming initiatives.

Due to these two points, it is difficult at this time to predict earnings in the core mobile phone sales business and the impact of this business on Bell-Park's consolidated performance.

However, it appears that the Softbank Group is working very hard on preparations to expand its mobile communications business following the start of MNP. Bell-Park has confidence in the insight and leadership of Softbank's president Masayoshi Son, and believes that changes caused by MNP will create new opportunities for Bell-Park.

# Bell-Park Group Management Policies for 2H 2006



## 1) Target opportunities created by MNP

To prepare for MNP, shops are working even harder on training programs and taking other steps to upgrade their operations.

Shops are making effective use of the challenging period leading up to the start of MNP by taking steps to maximize earnings. One way is by training personnel in the procedure for transferring a number to a new service. Another is training involving sales policies aimed at raising gross profit per customer.

## 2) Focus on corporate market

As in the first half, Bell-Park will continue to concentrate on corporate sales. The start of MNP is expected to spark a large volume of shifts to different communications carriers among companies. To fully capitalize on this opportunity, Bell-Park is reinforcing its sales framework (transferring personnel and increasing corporate sales personnel) to increase sales to corporate clients.

# Business Segment Strategies: Network Business

## 1) Improve the service lineup

Regarding the core “KDDI Metal Plus” for individuals, Bell-Park expects a slowing rate of growth in the number of new subscriptions as communications carriers follow through on policies of limiting investments in additional equipment.

Along with this slowdown, sales agent fees are being revised. Bell-Park believes these developments are making it difficult to generate earnings from “KDDI Metal Plus.”

Therefore, there is an urgent need during the second half of 2006 to add new services and to identify services that can be primary sources of earnings.

In August and September, Bell-Park is seeking new services to sell and offering these services on a trial basis. Beginning in October, the profitability of these services will be evaluated so that resources can be focused on services with the greatest potential.

## 1) Strengthen staffing services for mobile phone sales

Two significant events will take place in the second half: the launch of MNP and the switch of Vodafone to the Softbank brand. These are expected to create greater demand for various campaigns than in the first half.

To take full advantage of the resulting demand for personnel, Bell-Park is increasing its staffing services sales force and increasing activities to recruit personnel for placement.

## 2) Offer staffing services in other areas of Japan

Sales activities of the Osaka Office, which was opened in the first half of 2006, will continue to be expanded with the goal of targeting demand associated with MNP and other events.

Through these actions, Bell-Park intends to build a profitable operating structure for the staffing services business.

# III 2006 Earnings Plan

# 2006 Earnings Plan (1/2) -Outlook for Mobile Phone Sales Business

As is explained on page 7, first half consolidated operating income was 17% less than planned earnings for this period. The primary reason was a 19% shortfall vs. the plan in the core mobile phone sales business due to lower performance in the second quarter.

Thus far, the summer selling season, which began in July, is disappointing. Based on the current weak performance that began in the second quarter, Bell-Park must expect a continuation of the impact of delayed purchases at least through the third quarter as people wait for the October start of MNP and switch from Vodafone to the Softbank brand.

Bell-Park has high hopes for growth in sales in the fourth quarter following the launch of MNP and the Softbank brand. However, the contribution of MNP in the fourth quarter will probably be limited due to the timing of the launch of this system. This is because customers will probably spend about one month after the October 24 start of MNP to study this system and think about what to do. MNP will probably start producing meaningful demand in December.

## <Reference> Consolidated Quarterly Sales and Earnings (million yen)

|      |            | 1Q        |                  | 2Q        |                  | 3Q   |                  | 4Q        |                  |
|------|------------|-----------|------------------|-----------|------------------|--|------------------|-----------|------------------|
|      |            | Net sales | Operating income | Net sales | Operating income | Net sales  | Operating income | Net sales | Operating income |
| 2005 | Quarterly  | 5,989     | 214              | 5,495     | 153              | 6,569  | 363              | 6,302     | 218              |
|      | Cumulative | 5,989     | 214              | 11,484    | 367              | 18,053   | 730              | 24,355    | 948              |
| 2006 | Quarterly  | 5,897     | 232              | 5,713     | 124              | Weak performance<br>(unlikely to see<br>sales/earnings growth<br>as in 2005) |                  | ???       |                  |
|      | Cumulative | 5,897     | 232              | 11,610    | 356              |  |                  |           |                  |

# 2006 Earnings Plan (2/2) -Downward Revision of Business Forecasts

Bell-Park has revised its 2006 earnings plan as follows due to the items discussed on the previous page.

(million yen)

|                             | 1H 2006 Results |                  | FY2006 Initial plan |                  | FY2006 Revised plan |                  | Reason for revision   |  |
|-----------------------------|-----------------|------------------|---------------------|------------------|---------------------|------------------|---|--|
|                             | Net sales       | Operating income | Net sales           | Operating income | Net sales           | Operating income | Net sales   | Operating income   |
| Mobile Phone Sales Business | 10,663          | 583              | 26,400              | 1,580            | 21,200              | 1,160            | Projecting 2H sales that are the same as in 1H for reasons discussed on the previous page | Projecting flat 2H operating income for the same reasons   |
| Network Business            | 364             | -2               | 650                 | -90              | 500                 | -50              | Due to decline vs. 1H in sales of core "KDDI Metal Plus" service                          | The lower sales will cause a greater loss than in the 1H (but projected 2006 loss is smaller than in the initial plan) |
| Staffing Services Business  | 714             | -12              | 1,550               | 20               | 1,500               | 10               | Growth slowing somewhat due to difficulty in recruiting workers                           | Reflects 1H results and 2H recruiting difficulty   |
| Elimination or corporate    | -131            | -212             | -100                | -460             | -200                | -420             | Assumes larger than planned increase in internal transactions (staffing services)         | Lowered projected administrative expenses based on 1H results  |
| Consolidated                | 11,610          | 356              | 28,500              | 1,050            | 23,000              | 700              | —————   | —————  |

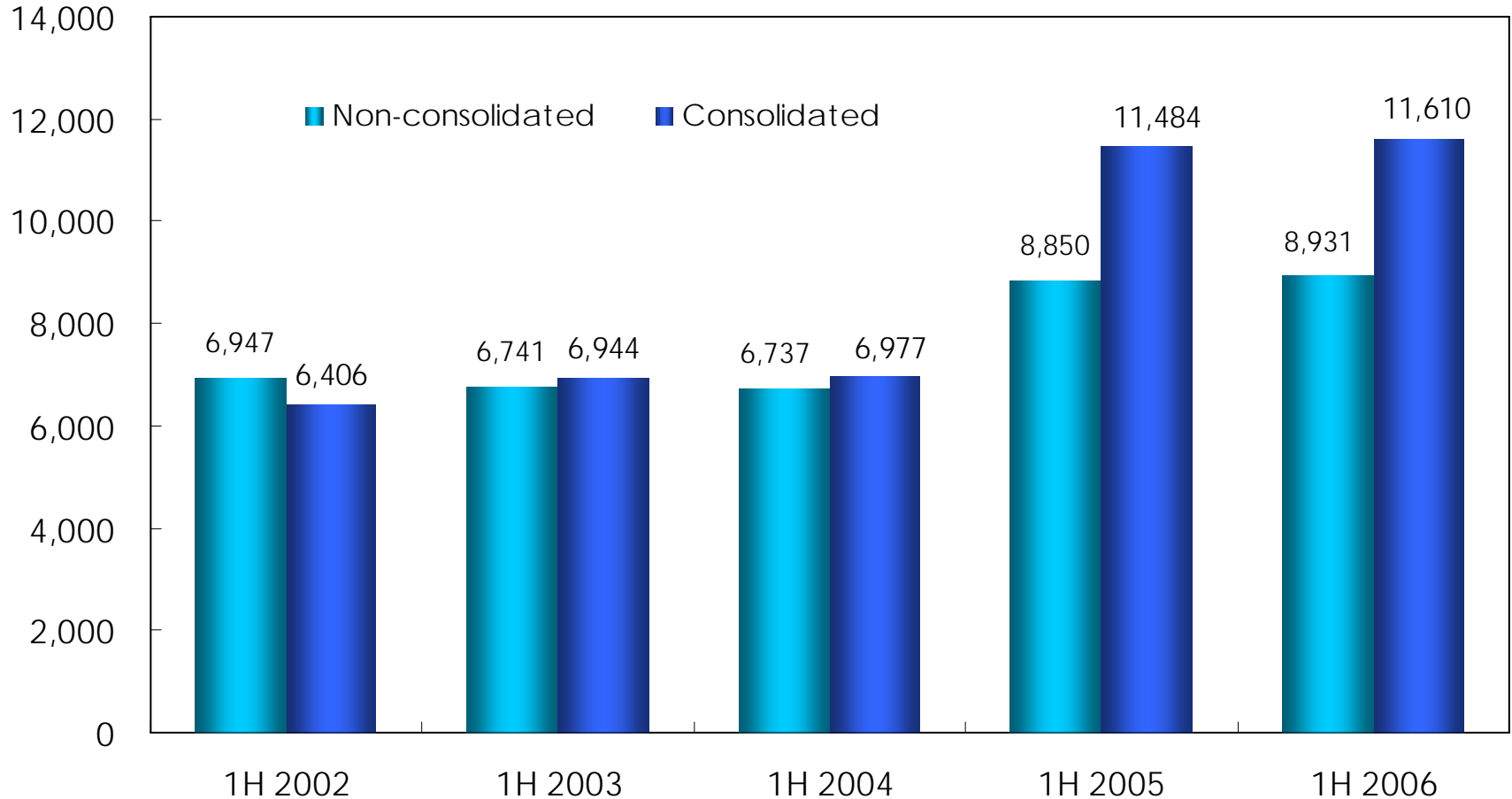
# IV Supplementary Material

## IV-1 1H 2006 Financial Summaries

# 1. Net Sales (Consolidated, Non-consolidated)

YoY change (Consolidated): 101.1%  
YoY change (Non-consolidated): 100.9%

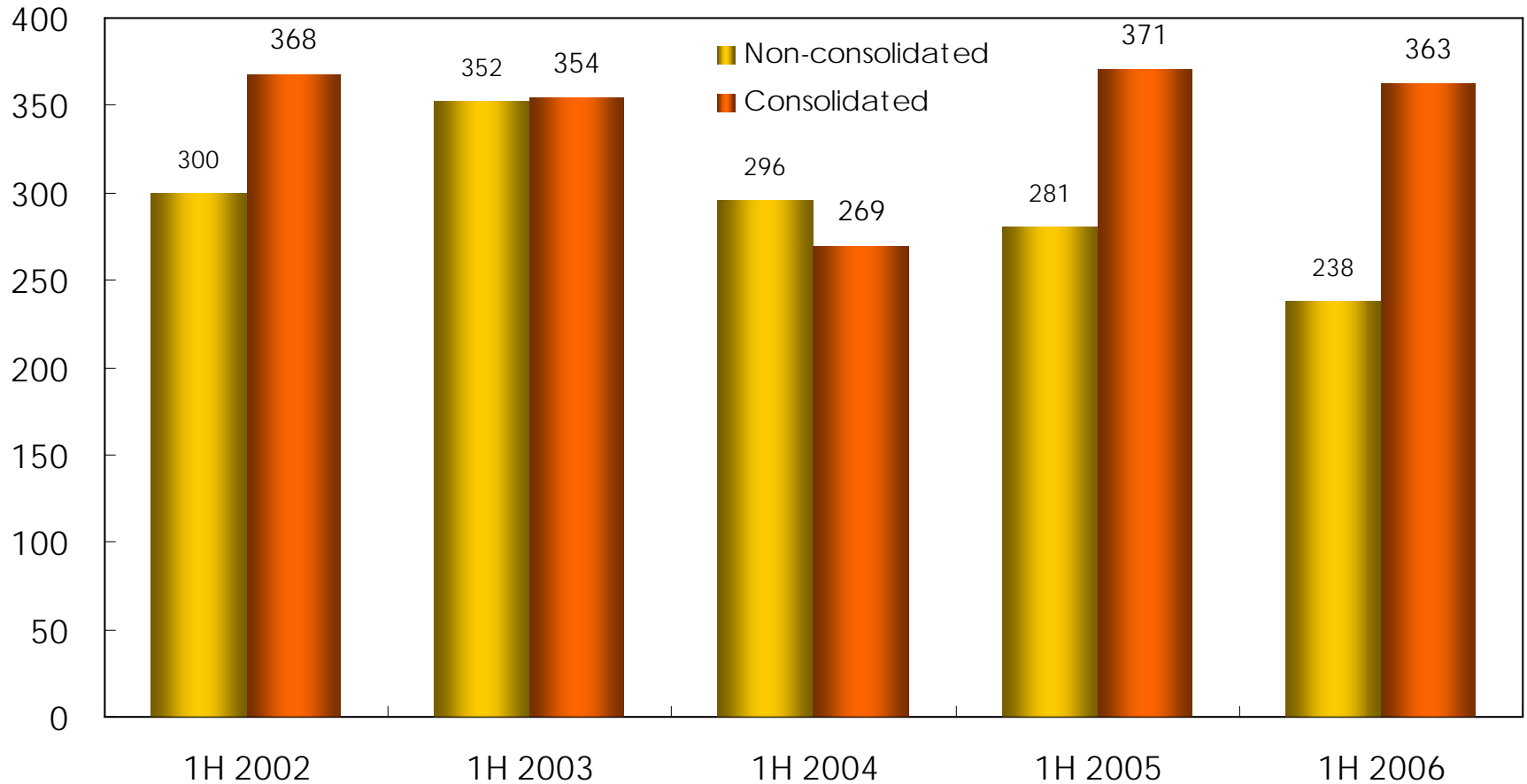
(million yen)



## 2. Ordinary Income (Consolidated, Non-consolidated)

YoY change (Consolidated): 97.9%  
YoY change (Non-consolidated): 84.8%

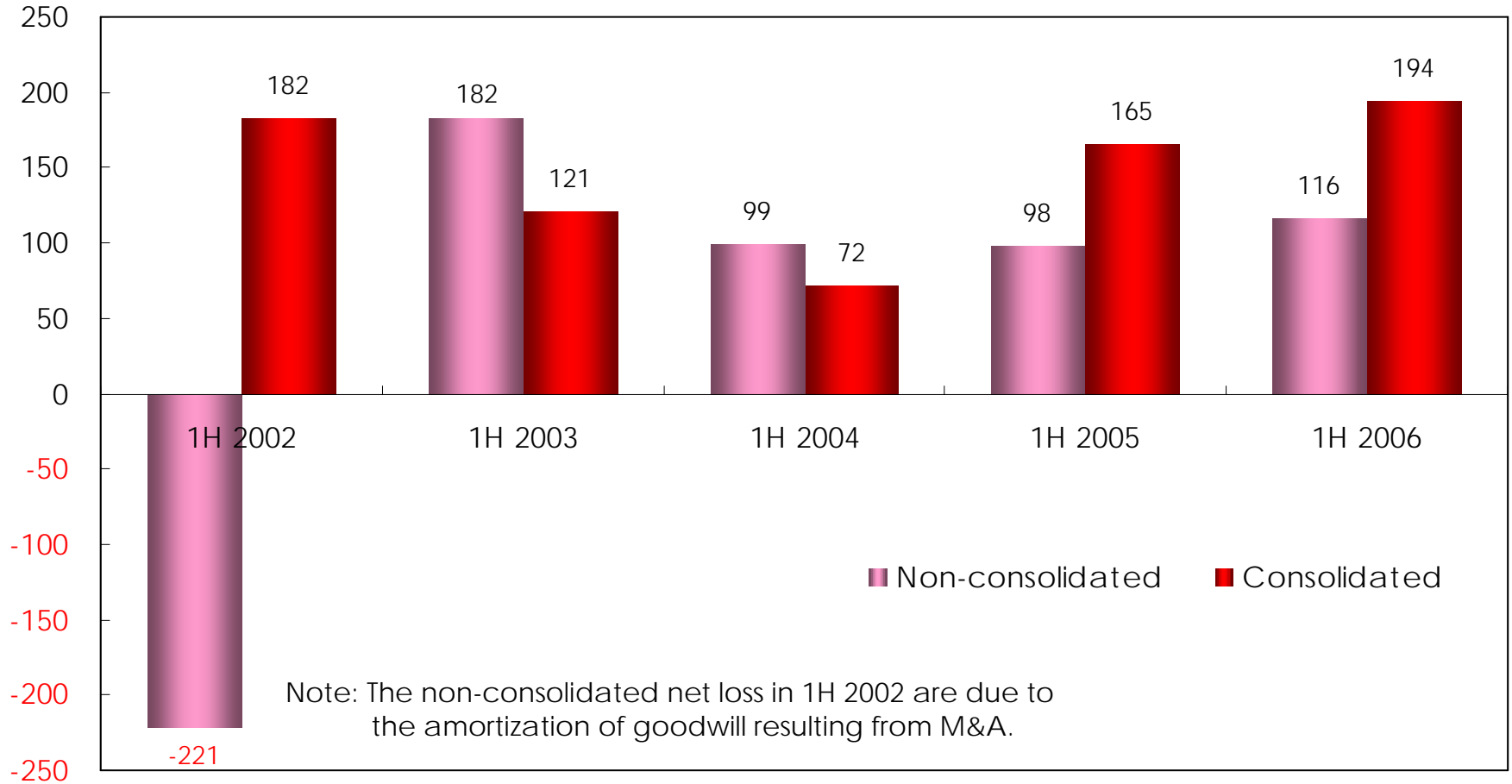
(million yen)



# 3. Net Income (Consolidated, Non-consolidated)

YoY change (Consolidated): 117.9%  
 YoY change (Non-consolidated): 118.2%

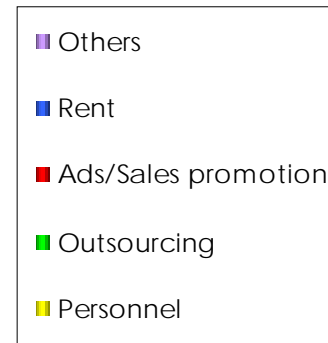
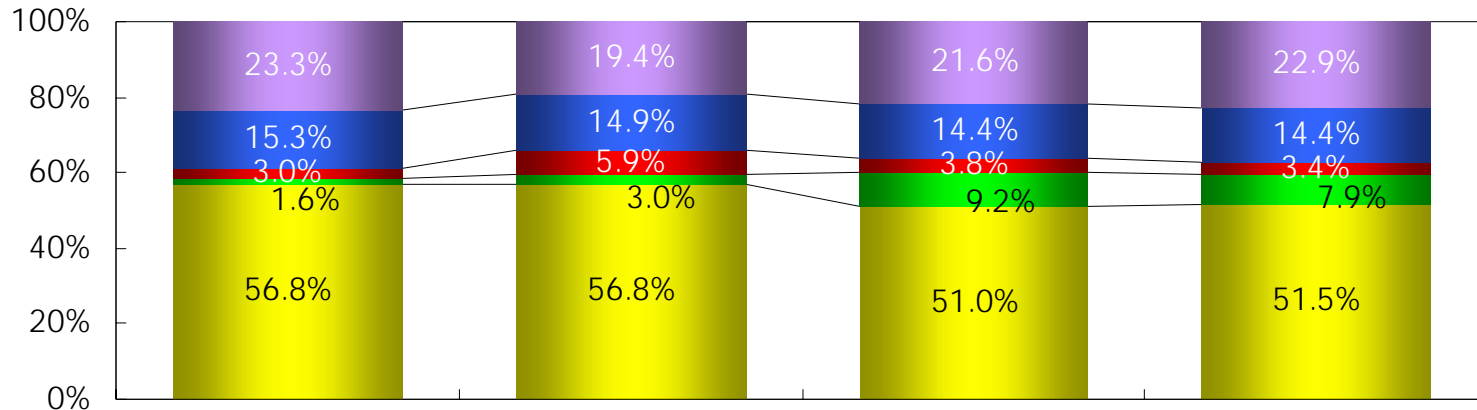
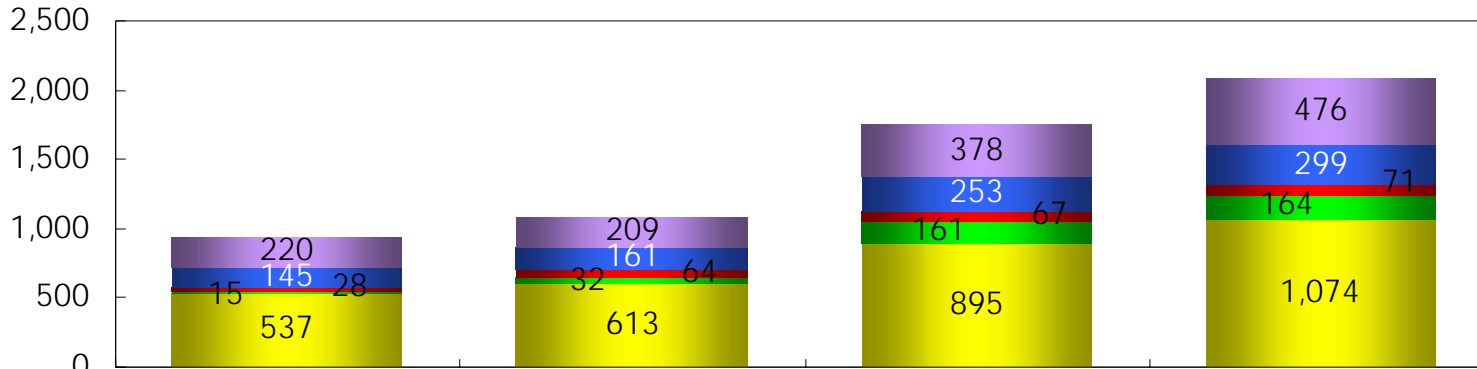
(million yen)



# 4. SG&A Expenses (Consolidated)

| 1H 2003 | 1H 2004 | 1H 2005 | 1H 2006 | Accounting Period          |
|---------|---------|---------|---------|----------------------------|
| 1,292   | 1,339   | 2,123   | 2,443   | Gross profit (million yen) |
| 537     | 613     | 895     | 1,074   | Personnel (million yen)    |
| 946     | 1,080   | 1,755   | 2,086   | SG&A (million yen)         |
| 2.40    | 2.19    | 2.37    | 2.27    | Gross profit/Personnel     |
| 1.37    | 1.24    | 1.21    | 1.17    | Gross profit/SG&A          |

(million yen)



1H 2003

1H 2004

1H 2005

1H 2006

I 中間決算ハイライト

II 2006年下期経営方針

III 2006年通期利益計画

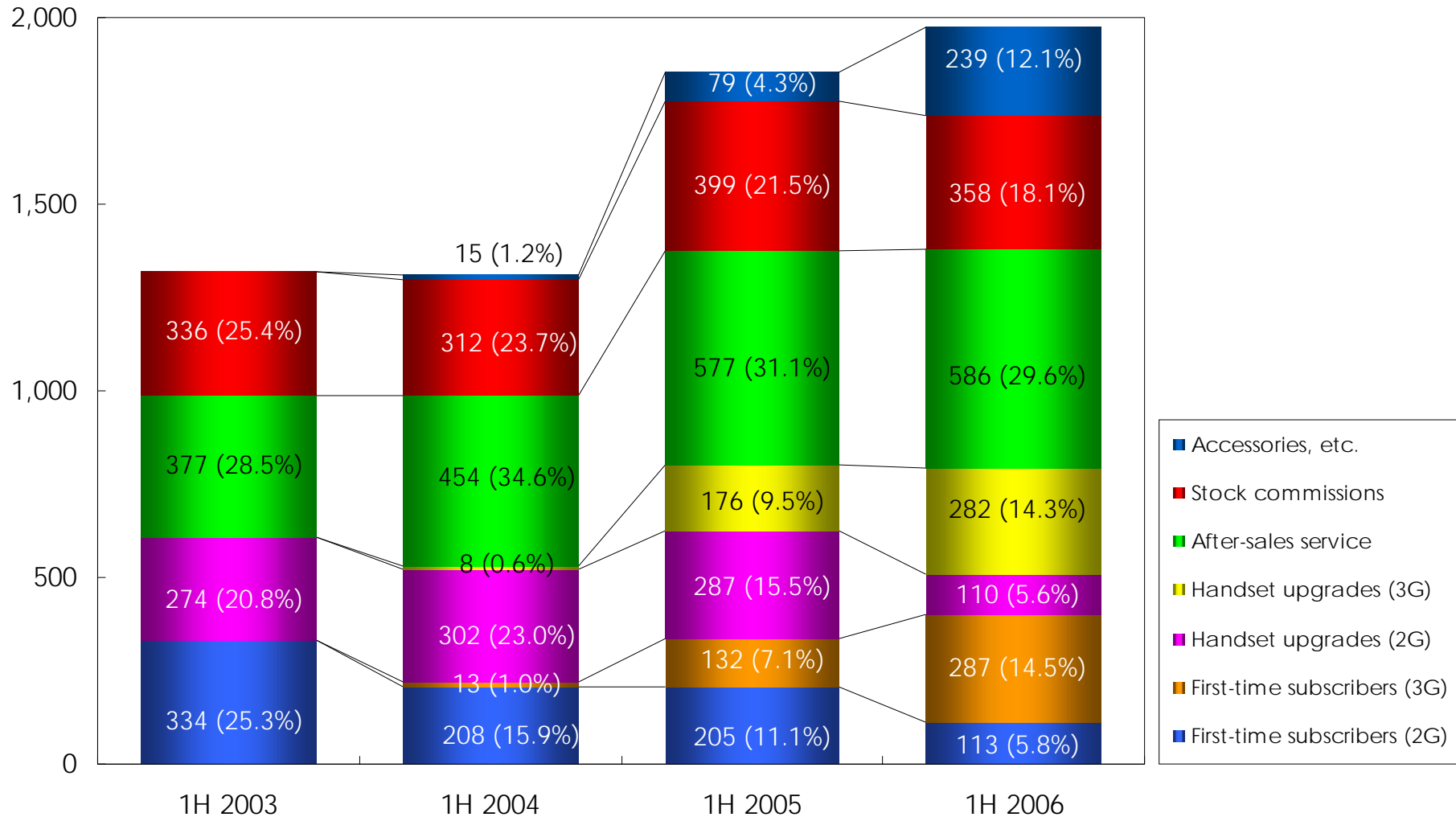
IV Supplementary Material

Bell-Park

# 5. Composition of Gross Profit (Consolidated)

- Mobile Phone Sales Business -

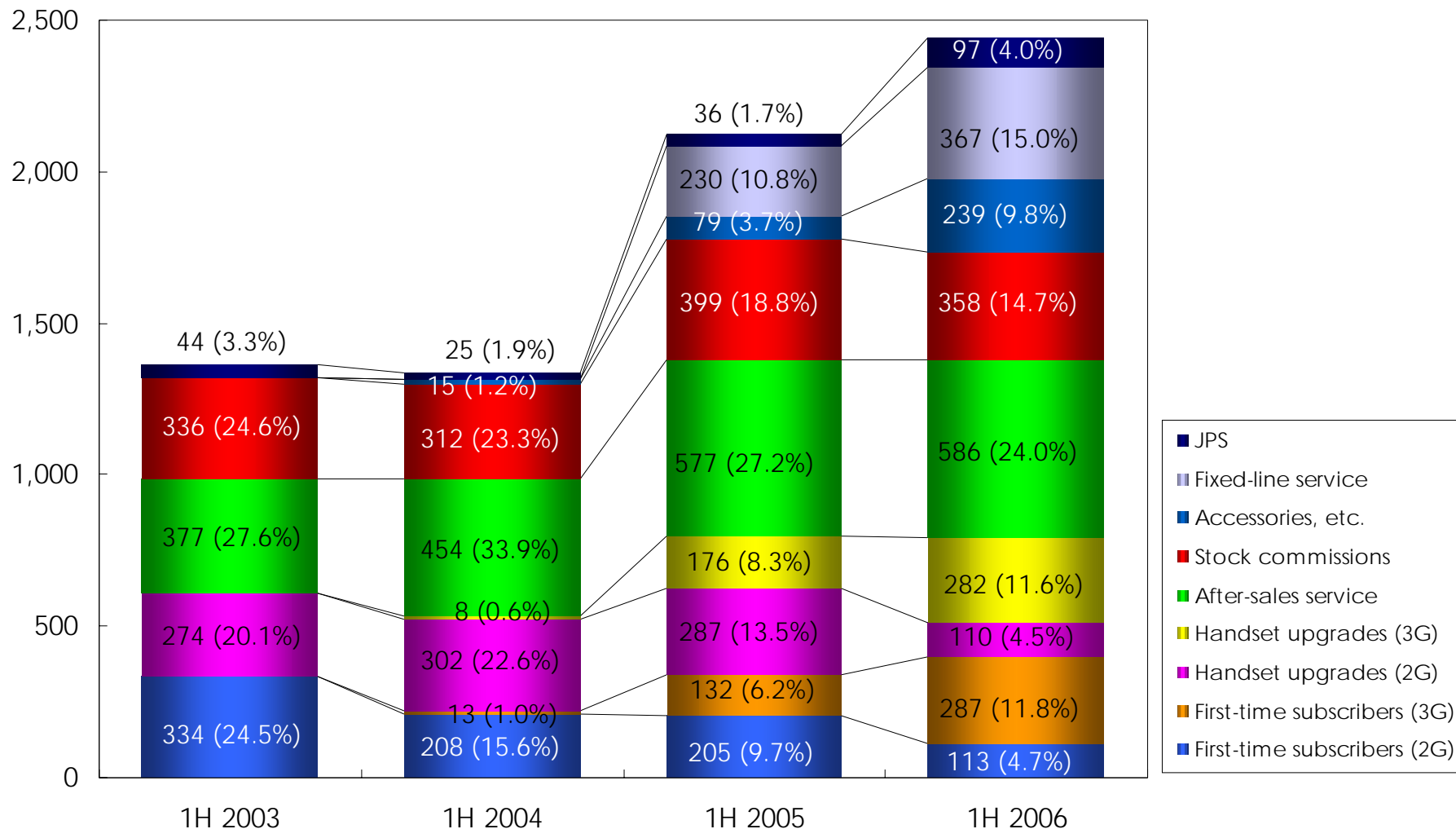
(million yen)



# 6. Composition of Gross Profit (Consolidated)

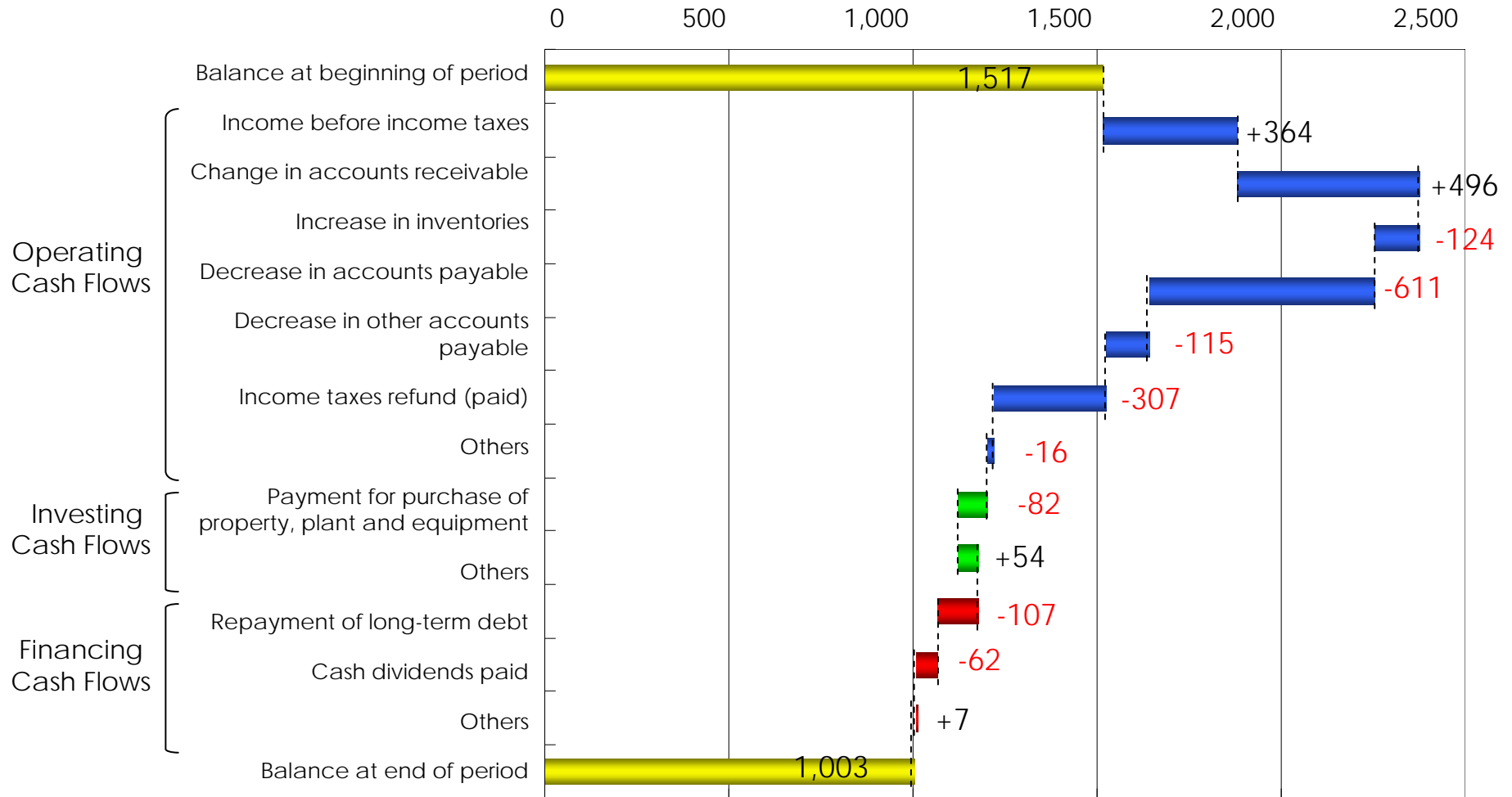
- All Businesses -

(million yen)



# 7. Composition of Cash Flows (Consolidated)

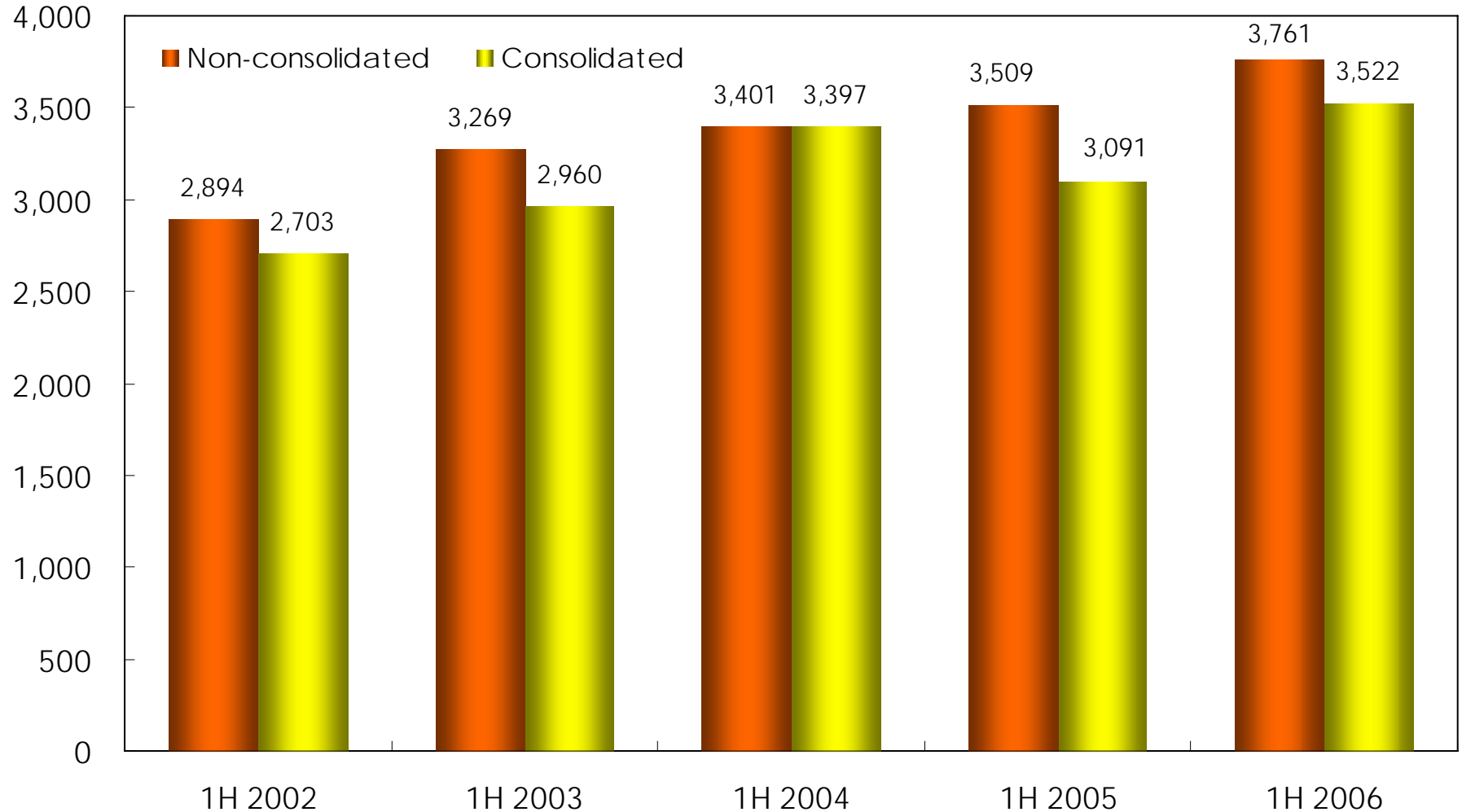
(million yen)



# 8. Net Assets (Consolidated, Non-consolidated)

(million yen)

YoY change (Consolidated): 113.9%  
YoY change (Non-consolidated): 107.2%



# 9. Financial Indicators (Consolidated)

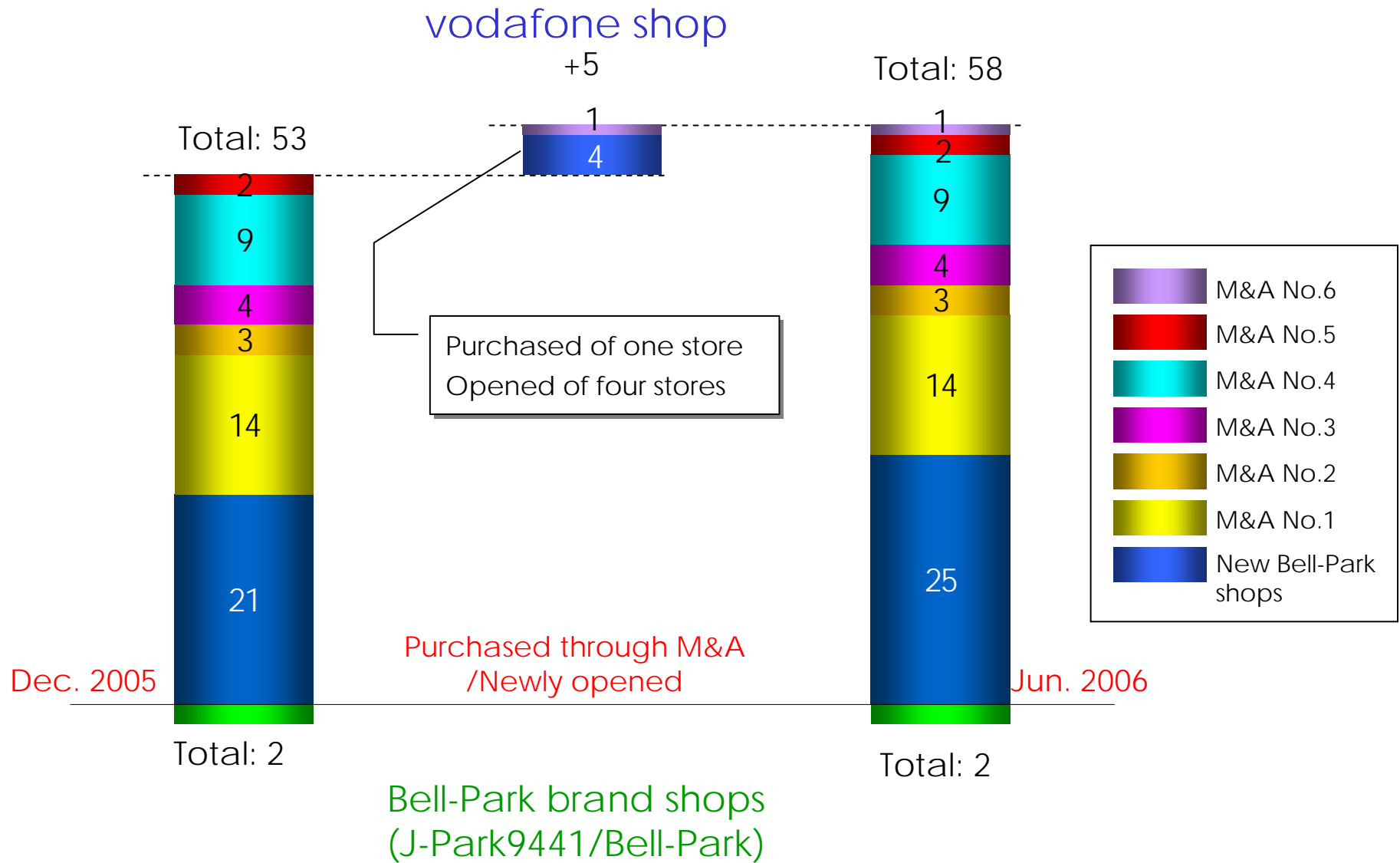
|               |  | 1H 2003 | 1H 2004 | 1H 2005 | 1H 2006 |
|---------------|--|---------|---------|---------|---------|
| Profitability | Ratio of ordinary income to total assets | 15.1%   | 10.2%   | 11.2%   | 11.4%   |
|               | Return on equity                         | 8.3%    | 4.2%    | 10.8%   | 11.3%   |
|               | Cash flow margin                         | 2.0%    | 3.6%    | - (*1)  | - (*1)  |
|               | Gross profit margin                      | 18.6%   | 19.2%   | 18.5%   | 21.1%   |
|               | Ratio of ordinary income to net sales    | 5.1%    | 3.9%    | 3.2%    | 3.1%    |
| Efficiency    | Capital turnover (times/year)            | 2.97    | 2.65    | 3.47    | 3.65    |
|               | Receivables turnover period (day)        | 35.2    | 36.6    | 34.5    | 33.8    |
|               | Inventory turnover period (day)          | 11.7    | 18.2    | 19.6    | 21.2    |
| Safety        | Equity ratio                             | 65.2%   | 67.2%   | 48.4%   | 59.6%   |
|               | Current ratio                            | 247.7%  | 265.4%  | 158.9%  | 196.5%  |

\*1: Figures are not presented since operating cash flows were negative.

IV Supplementary Material

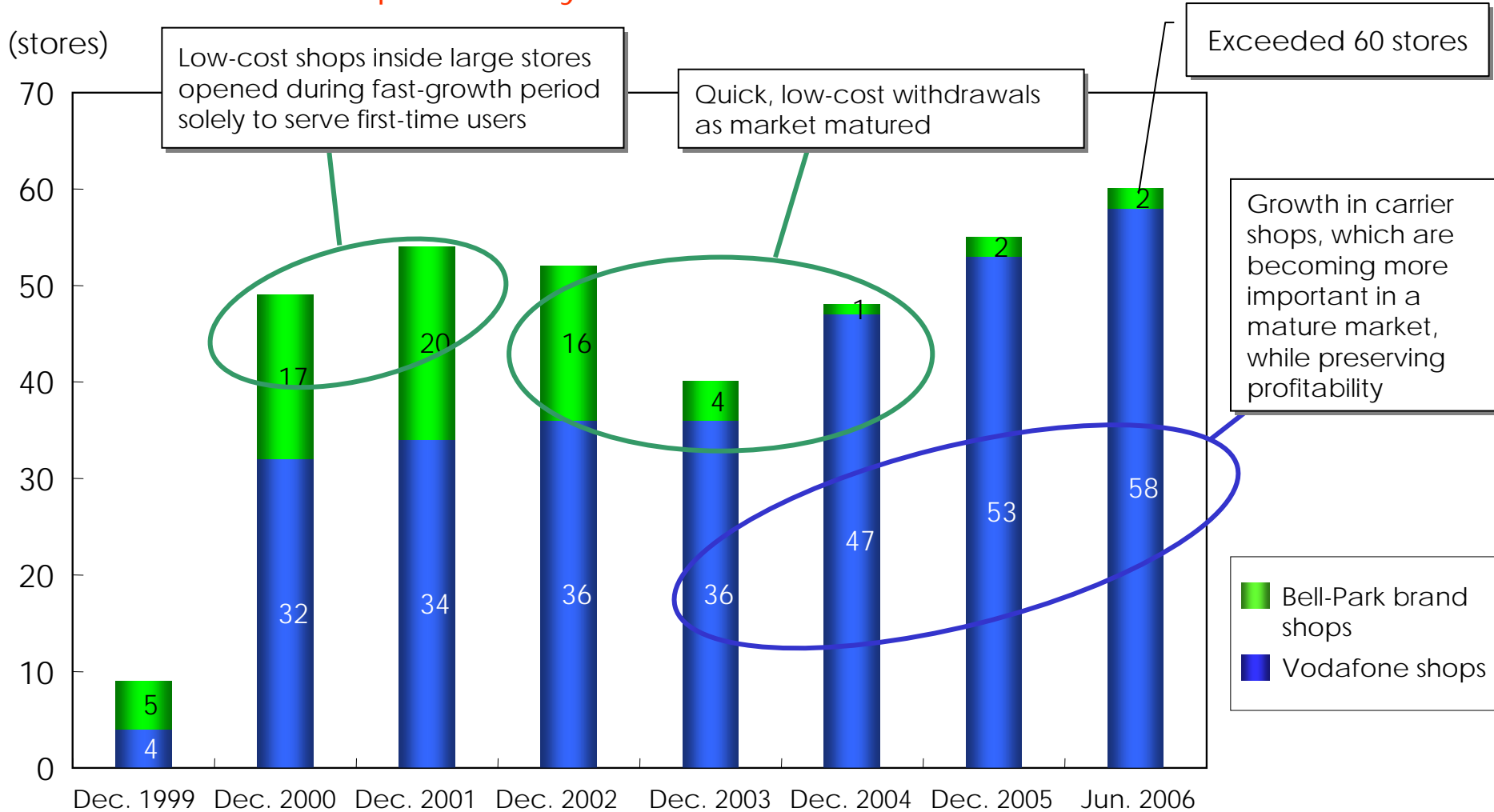
IV-2 1H 2006 Operating Summaries  
(Mobile Phone Sales Business)

# 1. Changes in the Number of Stores



# 2. Number of Stores

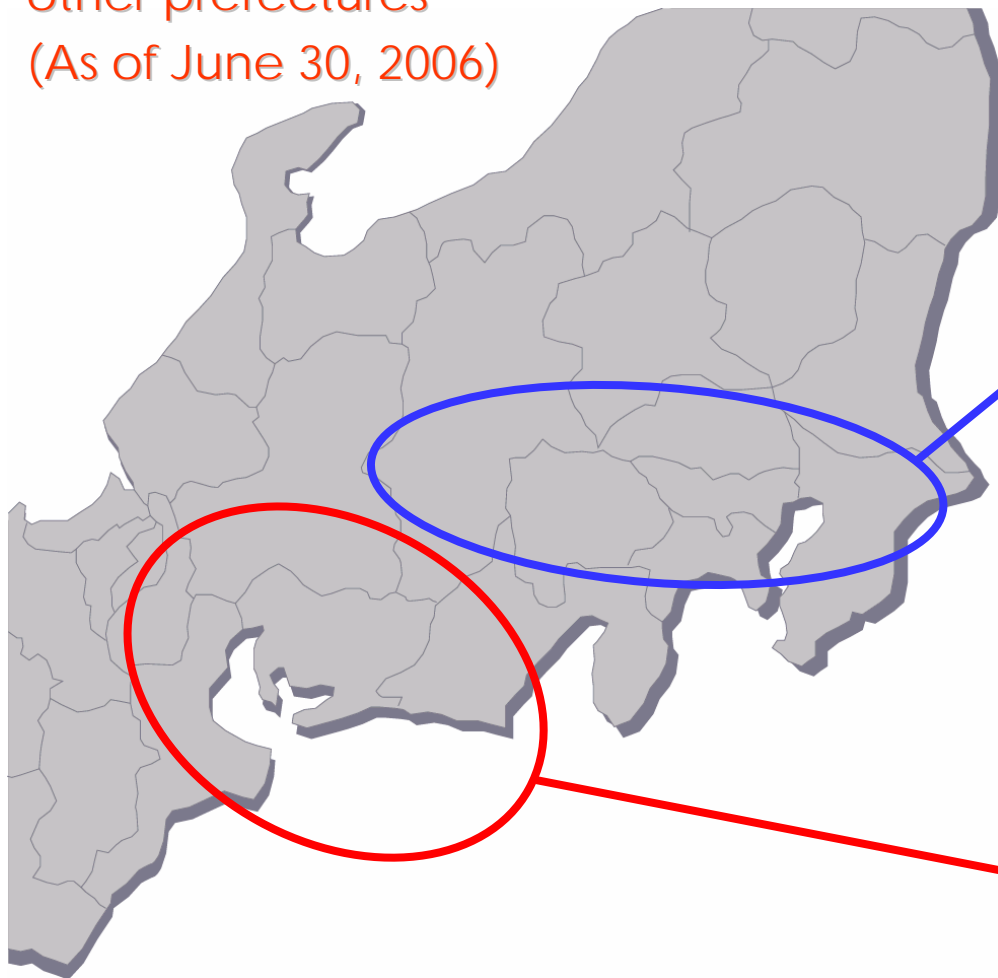
Make stores into "carrier shops" in response to shifts in customer needs and profitability of this business



# 3. Store Network

58 Vodafone shops, two Bell-Park's own brand shops in Tokyo and eight other prefectures

(As of June 30, 2006)



### Kanto Area Stores

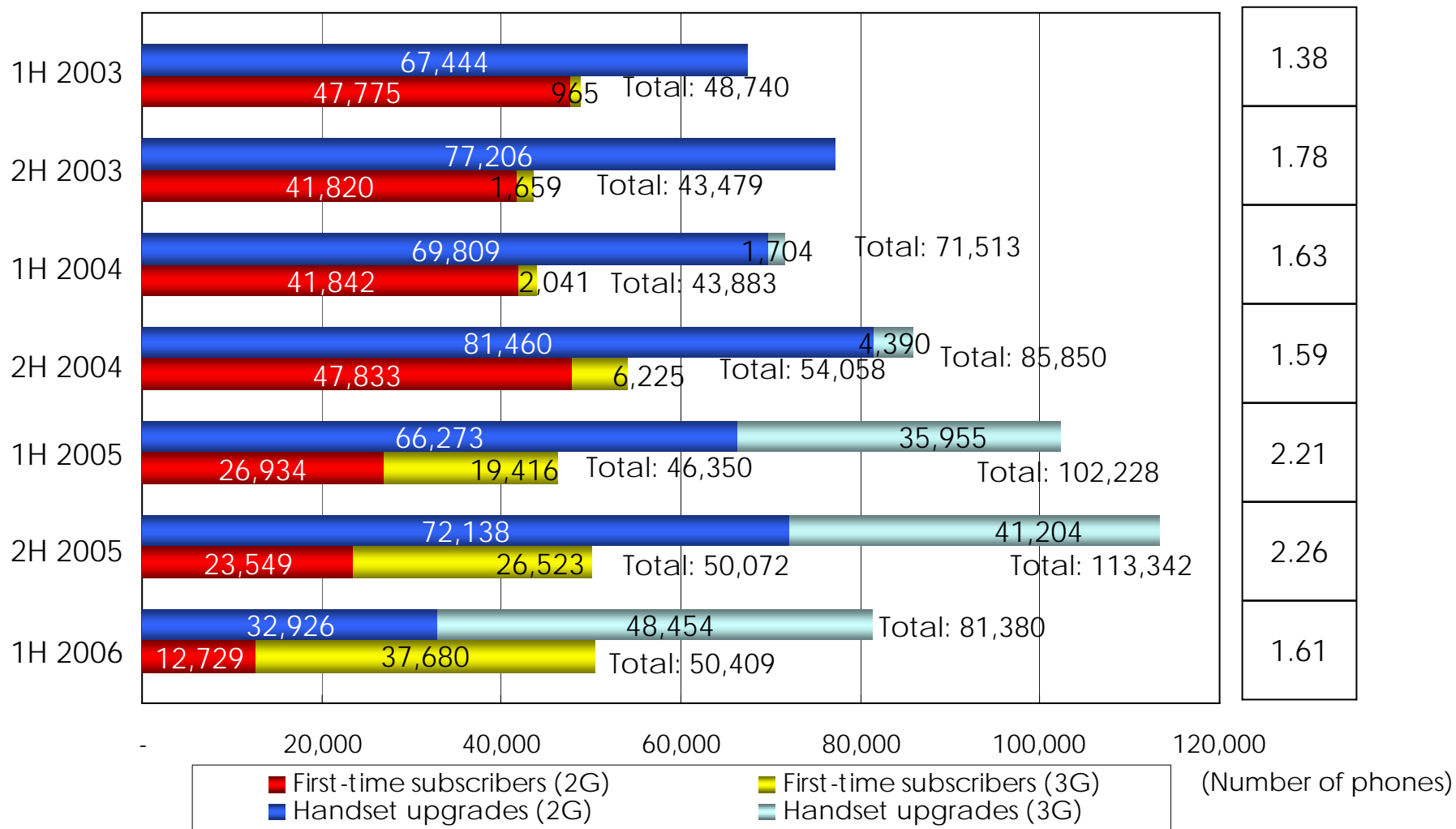
|          | Vodafone shops | Bell-Park brand shops |
|----------|----------------|-----------------------|
| Tokyo    | 29             | 0                     |
| Kanagawa | 5              | 0                     |
| Chiba    | 5              | 1                     |
| Saitama  | 9              | 0                     |
| Nagano   | 1              | 0                     |
| Subtotal | 49             | 1                     |

### Tokai Area Stores

|          | Vodafone shops | Bell-Park brand shops |
|----------|----------------|-----------------------|
| Aichi    | 4              | 1                     |
| Shizuoka | 1              | 0                     |
| Gifu     | 1              | 0                     |
| Mie      | 3              | 0                     |
| Subtotal | 9              | 1                     |

# 4. Number of Mobile Phones Sold

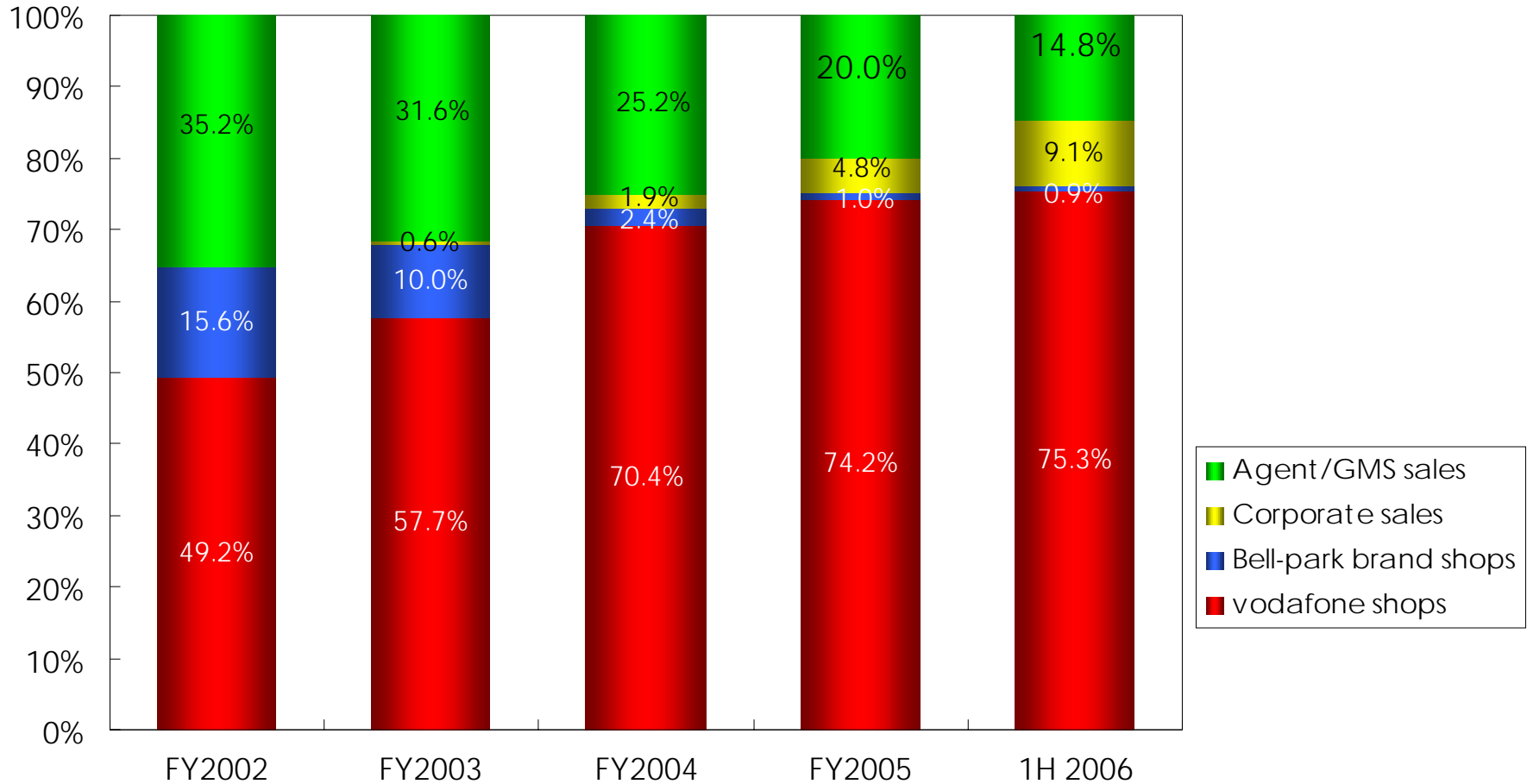
Mobile phone upgrades  
vs. Sales to first-time users



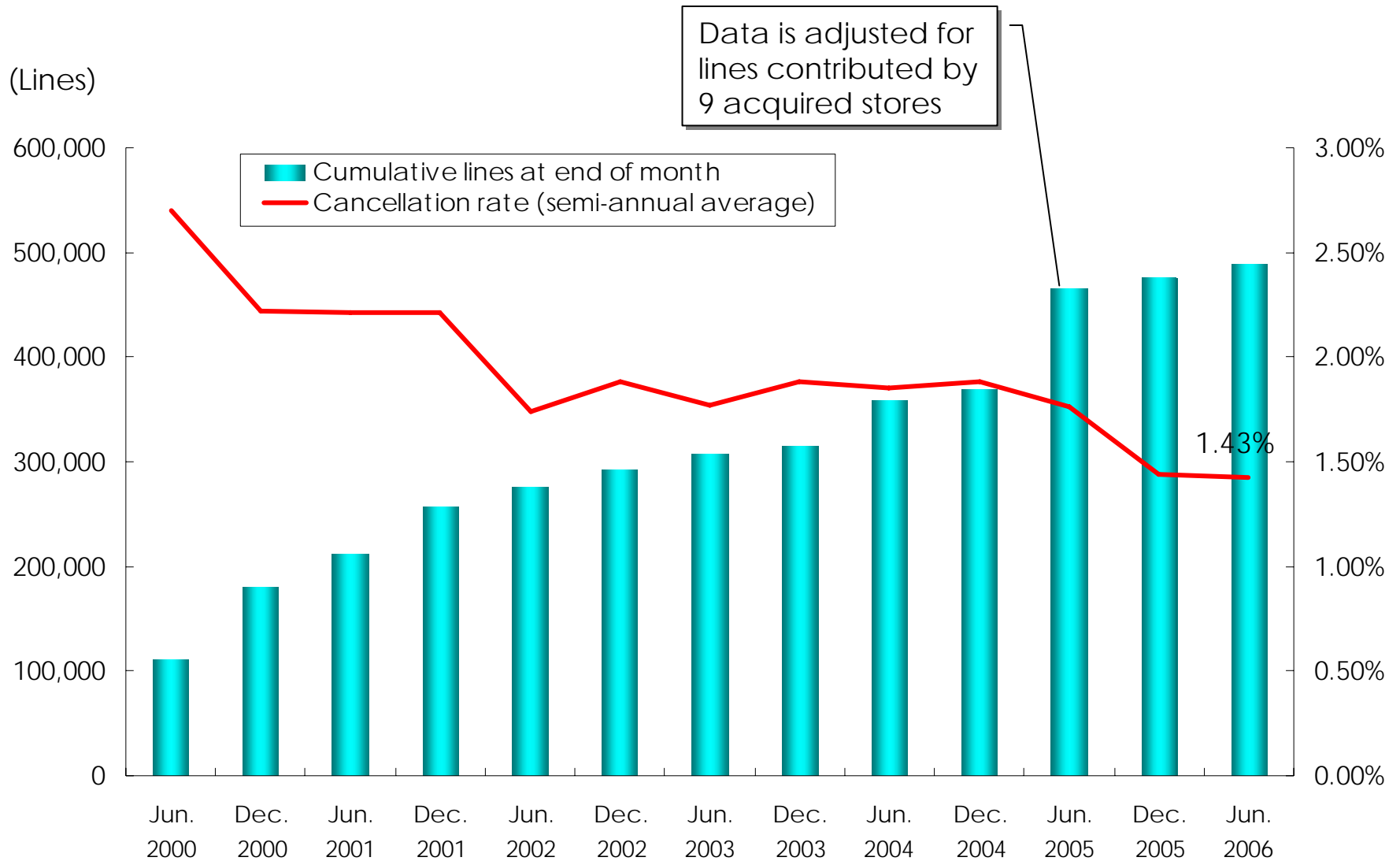
# 5. Changes in Composition of First-time-User Sales Channels

Sub-agent sales were sluggish (wholesale sales to sub-agents)

We focused on boosting corporate sales and sales through Vodafone Shops



# 6. Cumulative Subscriptions and Cancellations (Semi-annual)



# Forward-Looking Statements

All plans, strategies and financial forecasts that are not based on historical facts are forward-looking statements. Such statements are based on the judgment of management in accordance with information available when these materials were prepared. Actual results may differ changes in the operating environment and many other factors.

*We strongly believe in our ability, potential and the possibilities of the future.*

**Bell-Park**