

Bell-Park

Results of Operations

Year ended December 31, 2006

February 16, 2007

Bell-Park Co., Ltd.



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

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“2006 Financial and Operating Summaries”

I Financial Highlights

I-1 Consolidated Highlights

2006 Financial Highlights

- Performance was weak during the first three quarters of 2006 as customers delayed purchases as they waited for the October start of mobile phone number portability (MNP) and benefits associated with the switch to the SoftBank brand. However, performance in the fourth quarter benefited from the start of MNP and the switch to SoftBank. **As a result, Bell-Park posted its second consecutive year of record earnings (ordinary income)!**
- There was no improvement in profitability in the fixed-line service sales business, which mainly represents call center operations. In response, Bell-Park significantly downsized this business by closing all three major call centers.

The result was a 15% increase in consolidated ordinary income to ¥1,087mn.

Summary of 2006 Consolidated Results

(million yen)

	2005	2006	YoY	Remarks
	Top Bottom Amount Composition*1	Amount Composition*1	Change Pct. change*2	
Net sales	24,355 (100.0%)	24,356 (100.0%)	+0.8 (0.0%)	1) Mobile: -350 Mainly reflects lower sales of upgraded handsets 2) Staffing: +467 Increase in the number of individuals on assignment 3) Other: -116 Decline in fixed-line service sales
Gross profit	4,684 (19.2%)	5,196 (21.3%)	+512 (10.9%)	1) Mobile: +491 Increase in gross profit per unit and accessories sales 2) Staffing: +73 Increase in the number of individuals on assignment 3) Other: -27 Decline in fixed-line service sales 4) Elimination or -25 Increase in internal transactions corporate
SG&A expenses	3,735 (15.3%)	4,120 (16.9%)	+385 (10.3%)	1) Increase in the number of shops and strengthen management systems Mainly due to growth in expenses of personnel +339, rent +86, supplies +33 2) Decline in fixed-line service sales Mainly due to decline in expenses of communication -38, outsourcing -100
Operating income	948 (3.9%)	1,076 (4.4%)	+127 (13.4%)	Same as above reasons
Ordinary income	946 (3.9%)	1,087 (4.5%)	+141 (15.0%)	In addition to higher operating income, dividend income increased +5
Extraordinary income (loss)	-18 (-0.1%)	-41 (-0.2%)	-23 (-)	Mainly due to gain on sales of investment securities (0 to +30), loss on disposal of fixed assets (-11 to -22), impairment loss (0 to -43)
Income before income taxes	927 (3.8%)	1,046 (4.3%)	+118 (12.7%)	Same as above reasons
Net income	483 (2.0%)	557 (2.3%)	+74 (15.4%)	In line with an increase in income before income taxes, income taxes increased

*1: As pct. of net sales

*2: Pct. changes vs. prior year

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Bell-Park

I Financial Highlights

I-2 Business Results by Operating Segment

Analysis of 2006 Operating Segment Results

	Top: Amount (million yen) Bottom: Composition (%)			Business results by operating segment
	Net sales	Operating costs	Operating income	
Mobile phone sales business	22,579 (92.7)	20,975 (90.1)	1,603 (149.0)	<ol style="list-style-type: none"> 1. Small sales increase due to higher sales to new customers and lower sales of upgraded handsets 2. Unit gross profit higher in Q4 due to start of MNP and launch of installment-payment contracts 3. Personnel and rent expenses rose as the number of shops increased
Staffing services business	1,531 (6.3)	1,529 (6.6)	1 (0.2)	<ol style="list-style-type: none"> 1. Number of personnel placed rose from 245 in 2005 to 419 in 2006, resulting in a profit for the year. 2. Opened base in Osaka to increase the scale of operations. This base produced higher sales but also caused expenses to climb.
* Other businesses	466 (1.9)	587 (2.5)	-120 (-11.2)	There was a big drop in the rate for commissions received for the direct-collection-type fixed-line telephone service, making it impossible to continue selling these subscriptions using call centers. In response, this business was significantly downsized.
Elimination or corporate	-220 (-0.9)	188 (0.8)	-408 (-38.0)	_____
Consolidation	24,356 (100.0)	23,280 (100.0)	1,076 (100.0)	_____

*Following a major downsizing, the former Network Business has been renamed the Other Businesses segment.

Mobile Phone Sales Business

Mobile Phone Sales Business: Summary

(million yen)

	2005 Results	2006 Results	YoY change (%)	*2006 Initial plan	2006 Achievement ratio
Net sales	22,929	22,579	-2%	26,400	86%
Operating income	1,523	1,603	+5%	1,580	102%

*Figures announced at the information meeting for 2005 operating results.

2006 – Operating Environment

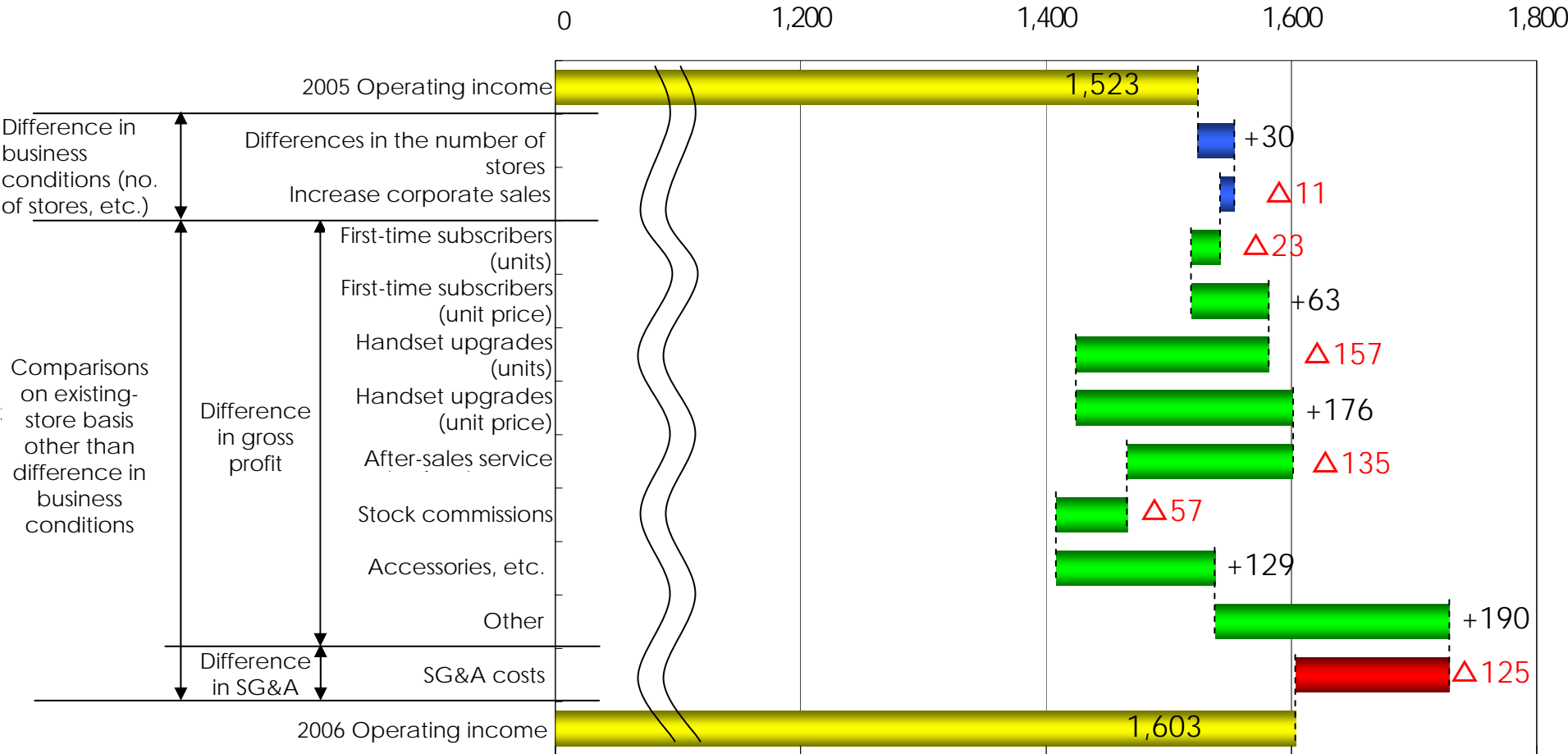
- Although there were a few hit models following the spring 2006 launch of one-seg handsets, demand was soft as many consumers waited for the October start of MNP. SoftBank, the primary service sold by Bell-Park, introduced many new models and innovative rate plans to target opportunities created by MNP. Despite problems involving SoftBank's network, the number of subscribers increased steadily overall. Following the net decline of 90,000 subscribers in 2005 under the Vodafone brand, there was a net increase of 370,000 subscribers in 2006.

2006 – Initiatives and Achievements

- In line with its policy for the year, Bell-Park increased corporate sales activities and opened 8 shops.
- In the first half, Bell-Park focused on SD card sales and credit card agency services to offset challenges posed as consumers put off mobile phone purchases. In the second half, despite network problems immediately after the start of MNP, Bell-Park took quick actions to work with SoftBank's aggressive marketing programs in order to take full advantage of opportunities created by MNP.
- Operating income was up 5% to ¥1,603mn as SoftBank's sales initiatives improved unit gross profits on sales of new phones and upgrades and as the actions of Bell-Park outlined above produced benefits.

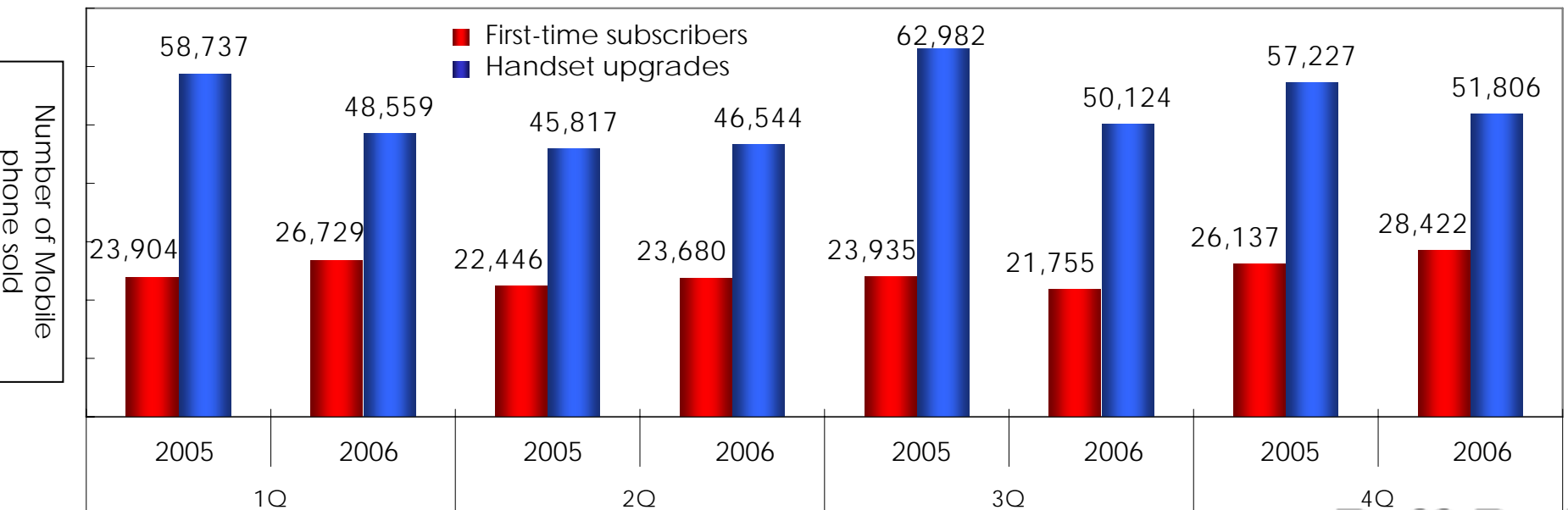
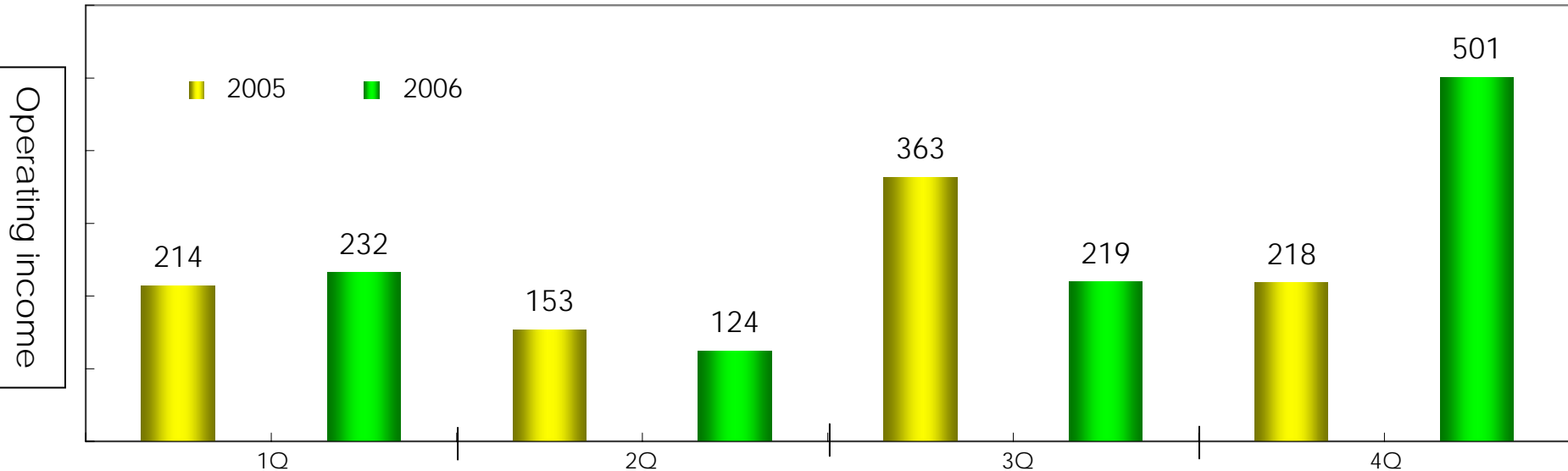
Mobile Phone Sales Business: Factors Affecting Profitability

(million yen)

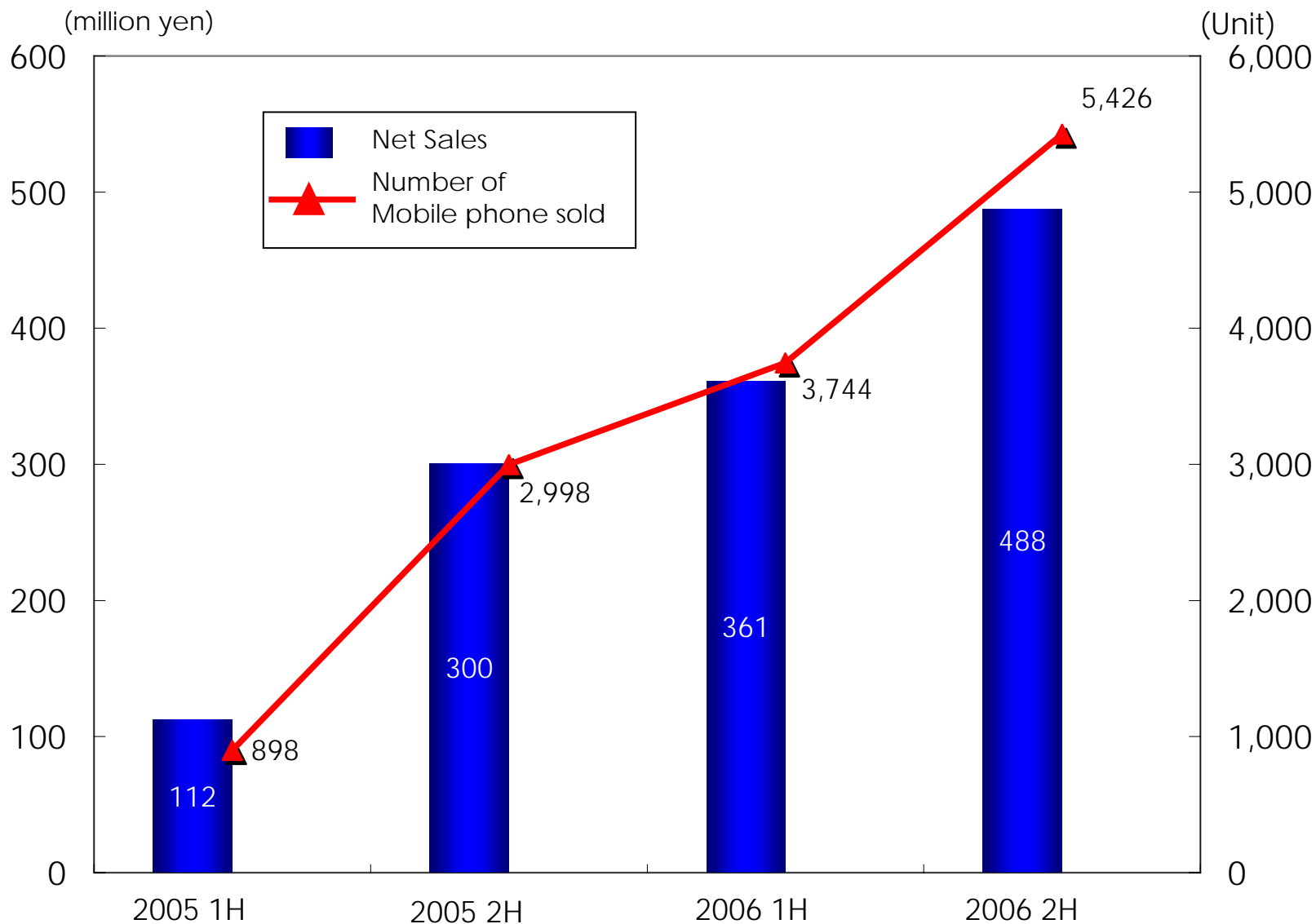


Quarterly Sales and Operating income

(million yen)



Corporate Sales



Staffing Services Business

Staffing Services Business: Summary

(million yen)

	2005 Results	2006 Results	YoY change (%)	*2006 Initial plan	2006 Achievement ratio
Net sales	930	1,531	+64%	1,550	99%
Operating income	-30	1.9	-	20	10%

2006 - Operating Environment

*Figures announced at the information meeting for 2005 operating results.

- There was a severe shortage of sales personnel at mobile phone shops as competition among carriers heated up following the start of MNP. Consequently, demand for sales personnel has been consistently strong. On the other hand, recruiting activities are more difficult because of Japan's economic recovery. Even more than in 2005, challenges were posed as companies switch from temporary to permanent employees and as workers switch to jobs with better benefits.

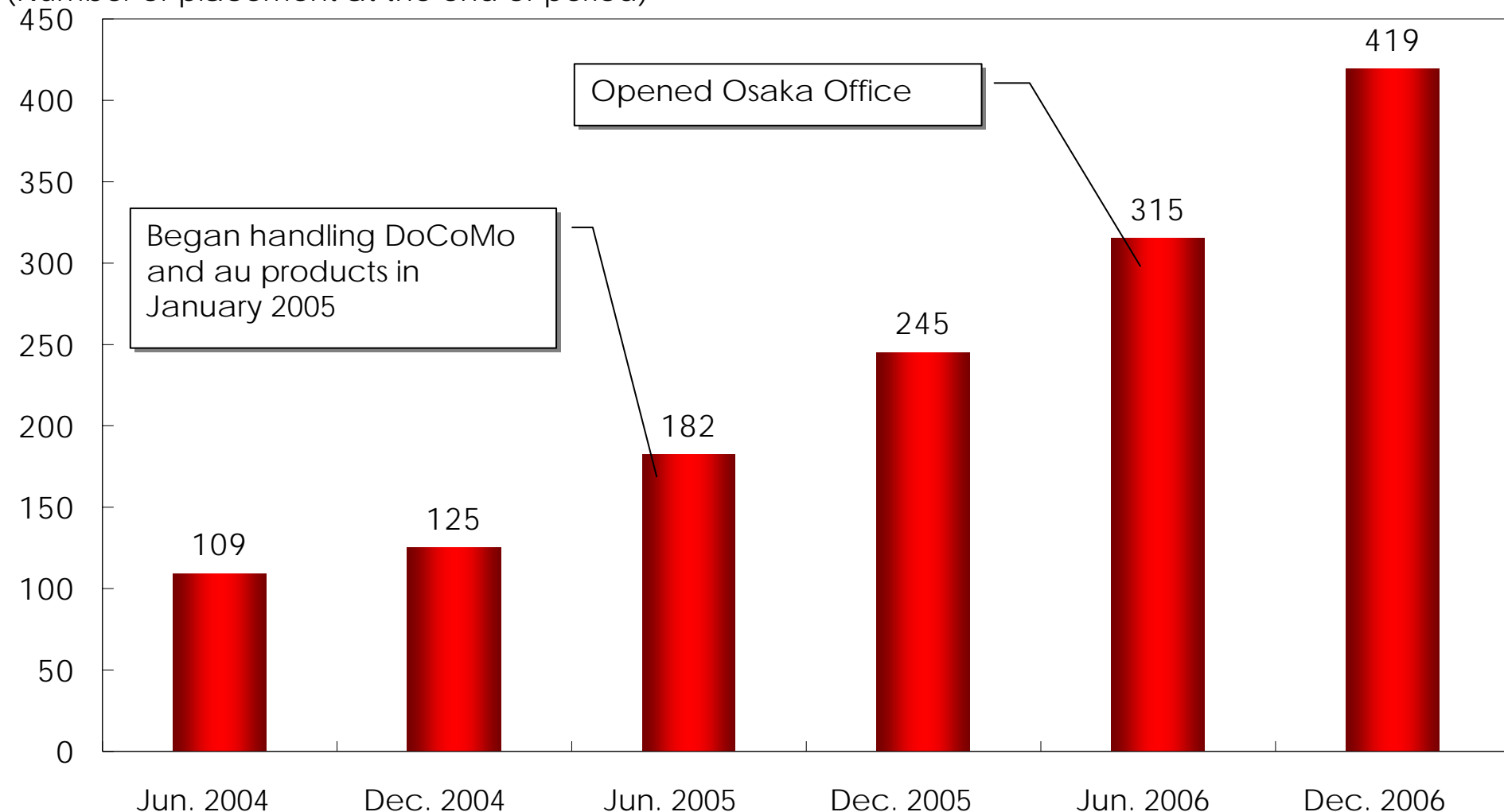
2006 - Initiatives and Achievements

- The number of personnel placed rose 71% to 174, due in part to the contribution of the new Osaka office, resulting in 64% growth in sales.
- Operating income was ¥1mn compared with a ¥30mn loss in 2005. The return to profitability reflected growth in the Kanto area placement of personnel in the core mobile phone sales personnel business.

Staffing Services Business: Track Record

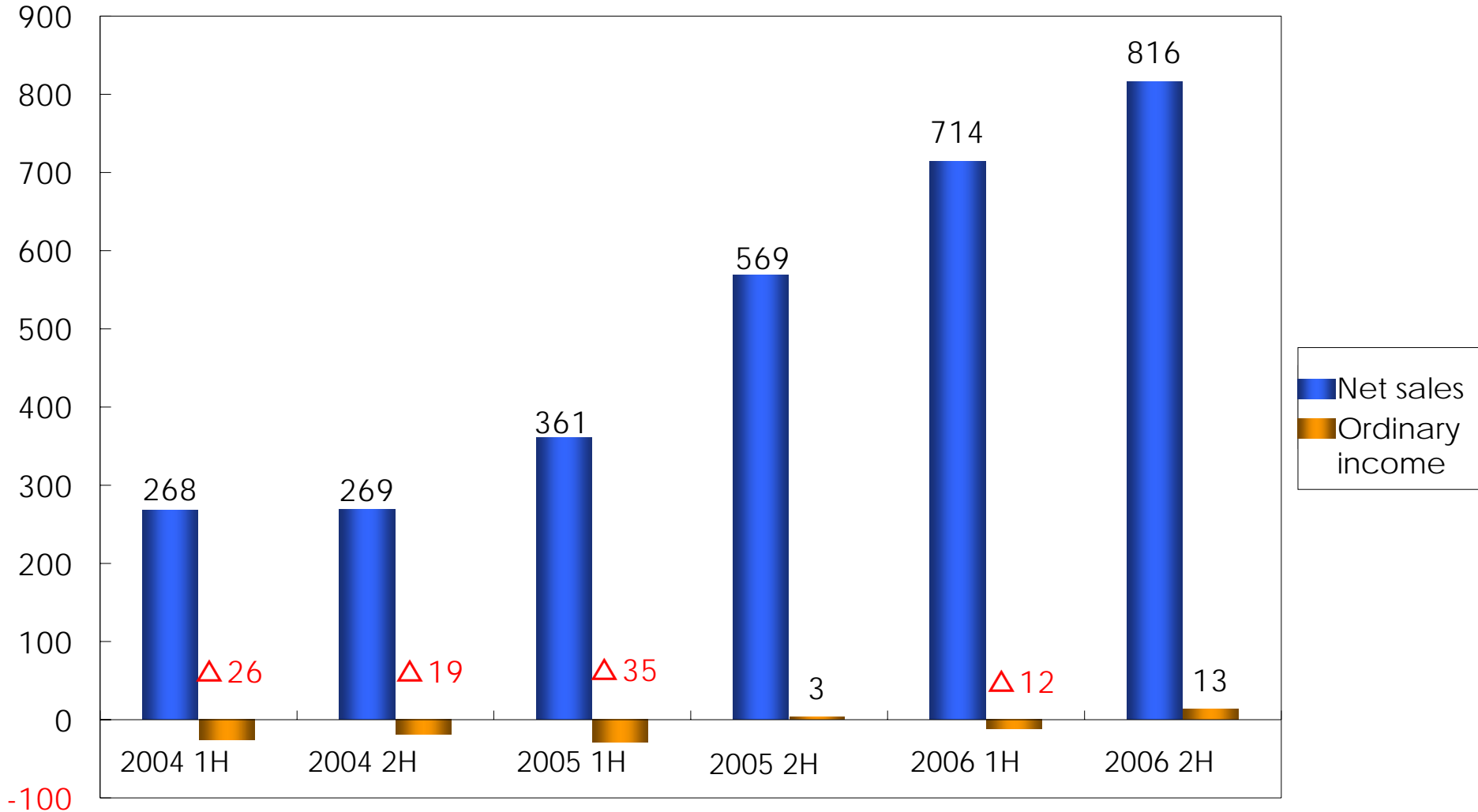
71% increase in personnel placed in 2006 (from 245 in 2005 to 419 in 2006)

(Number of placement at the end of period)



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

(million yen)



II 2007 Management Policies

➤ Japan's mobile communications market

Expectations are high for the first spring sales season since the launch of MNP. Companies will be offering new handset models and attractive rate plans, and there will be new entrants to the market.

Although MNP is increasing demand across the entire mobile phone sector, market conditions may weaken after the spring sales season. Consequently, it is difficult to determine an outlook at this time.

➤ Reinforced sales activities at SoftBank

SoftBank is increasing the number of mobile phone shops and deepening ties with high-volume retailers. The result is more opportunities for Bell-Park to raise earnings by opening more shops.

However, earnings per shop may decline if major retailers begin to account for a larger share of mobile phone sales.

➤ Shortage of mobile phone sales personnel

An even more severe shortage of mobile phone sales personnel is foreseen. Falling unemployment in Japan is causing many individuals to move to jobs in other business fields just as growing competition among mobile phone carriers is raising the number of sales personnel needed.

Since Bell-Park is already losing some sales opportunities because of a shortage of sales personnel, the ability to recruit workers will be even more critical to success in 2007.

2007 Group Management Policies

Medium-term goals and initiatives

Survive and win in the mobile phone sales business

Reduce business risk by extending operations to peripheral market sectors

- Make shops more profitable
- Increase corporate sales activities

- Enlarge the scope of staffing services

2007 policies for mobile phone sales

1) New store openings

2) Focus on corporate market

3) Reinforce measures to recruit and train workers

2007 policies for staffing services

1) Strengthen staffing services for mobile phone sales

2) Offer staffing services in other areas of Japan

Business Segment Strategies: Mobile Phone Sales Business

1) New store openings

Aggressively target opportunities for new shops created by SoftBank's sales channel policy and increase earnings at existing shops by adding counters and taking other actions. Also consider moving or closing unprofitable shops.

2) Focus on corporate market

Continue to prioritize the corporate market, which has immense growth potential. Increase sales to corporate users by building a more powerful framework for maximizing opportunities in the corporate market, including the use of rate plans created by SoftBank for this market.

3) Reinforce measures to recruit and train workers

All mobile phone shops are finding it difficult to recruit personnel because of demand created by heated competition among carriers. Skills of sales personnel and the ability to provide personnel will have a big impact on earnings. In response, Bell-Park is working hard on recruiting workers and has enhanced training programs by opening a training center in January 2007. These actions are expected to increase the retention rate and capabilities of workers.

1) Strengthen staffing services for mobile phone sales

Demand is expected to grow even more in Bell-Park's core mobile phone sales personnel business because all mobile phone sales agents are facing labor shortages.

At the same time, attracting workers for staffing service positions is more difficult as Japan's economy recovers. In response, Bell-Park is taking actions to improve recruiting activities.

2) Offer staffing services in other areas of Japan

Bell-Park opened an office in Osaka in 2006 and next plans to open an office in the Tokai region, where there is significant demand for staffing services.

The goal is to build a profitable operating framework rapidly while focusing on the core mobile phone sales personnel sector.

III 2007 Earnings Plan

2007 Earnings Plan

(million yen)

	First half		Full year	
	Net sales	Operating income	Net sales	Operating income
Mobile Phone Sales Business	12,850	1,080	25,900	1,860
Staffing Services Business	900	2	2,000	20
Other Business	100	-5	200	-10
Elimination or corporate	-50	-287	-100	-570
Consolidated	13,800	790	28,000	1,300

IV Supplementary Material

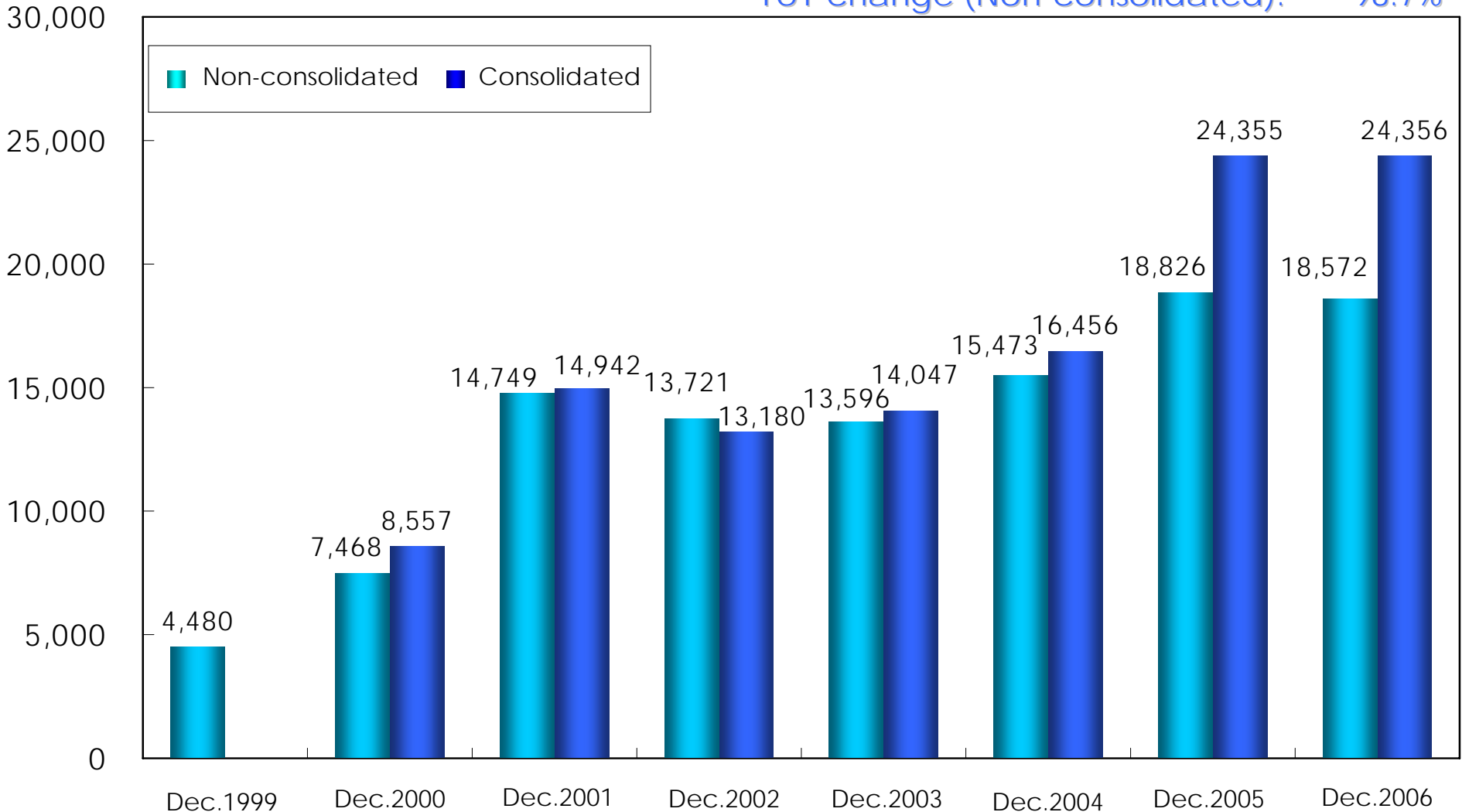
IV-1 2006 Financial Summaries

1. Net Sales (Consolidated, Non-consolidated)

YoY change (Consolidated): 100.0%

YoY change (Non-consolidated): 98.7%

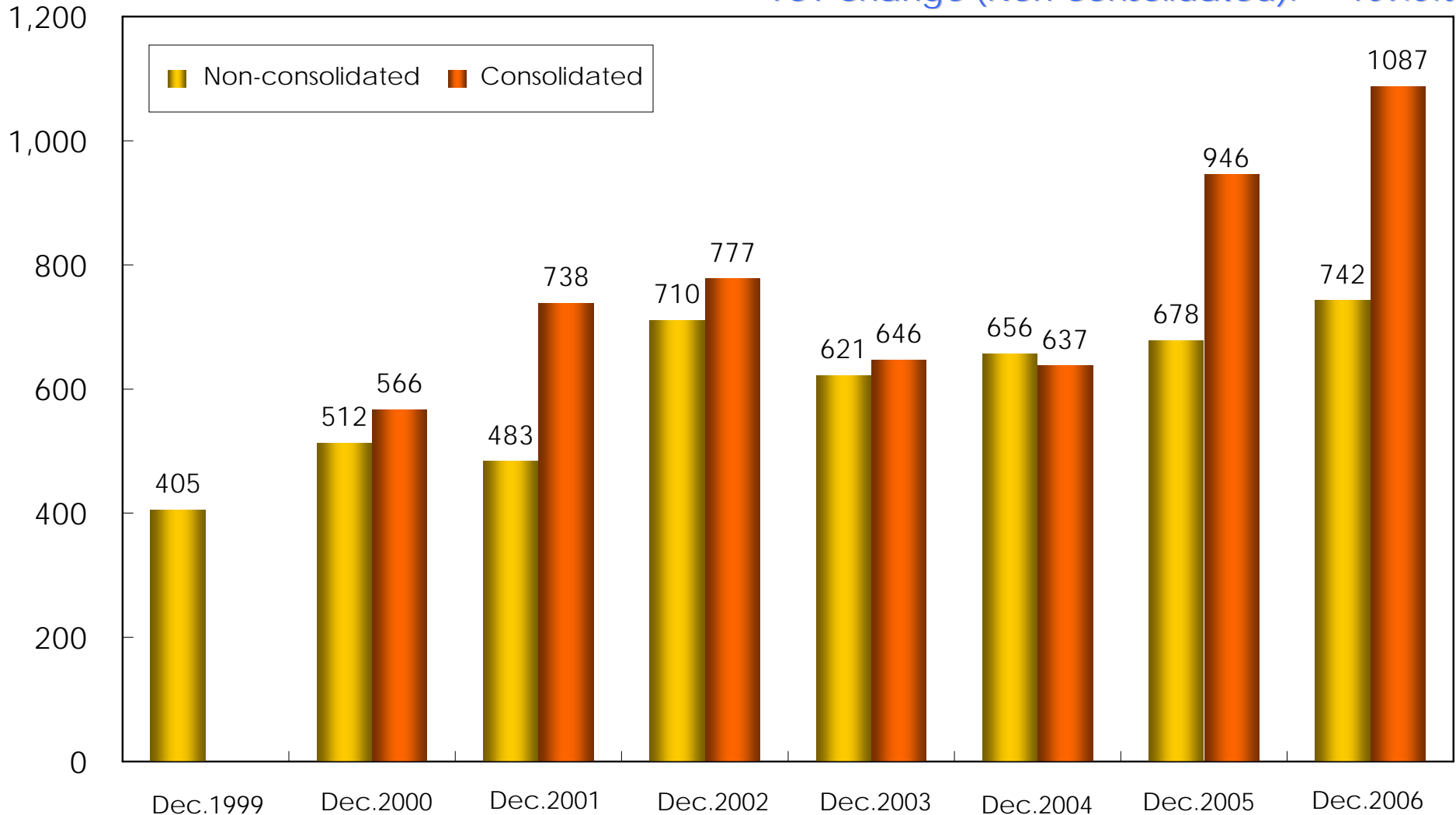
(million yen)



2. Ordinary Income (Consolidated, Non-consolidated)

YoY change (Consolidated): 115.0%
YoY change (Non-consolidated): 109.5%

(million yen)

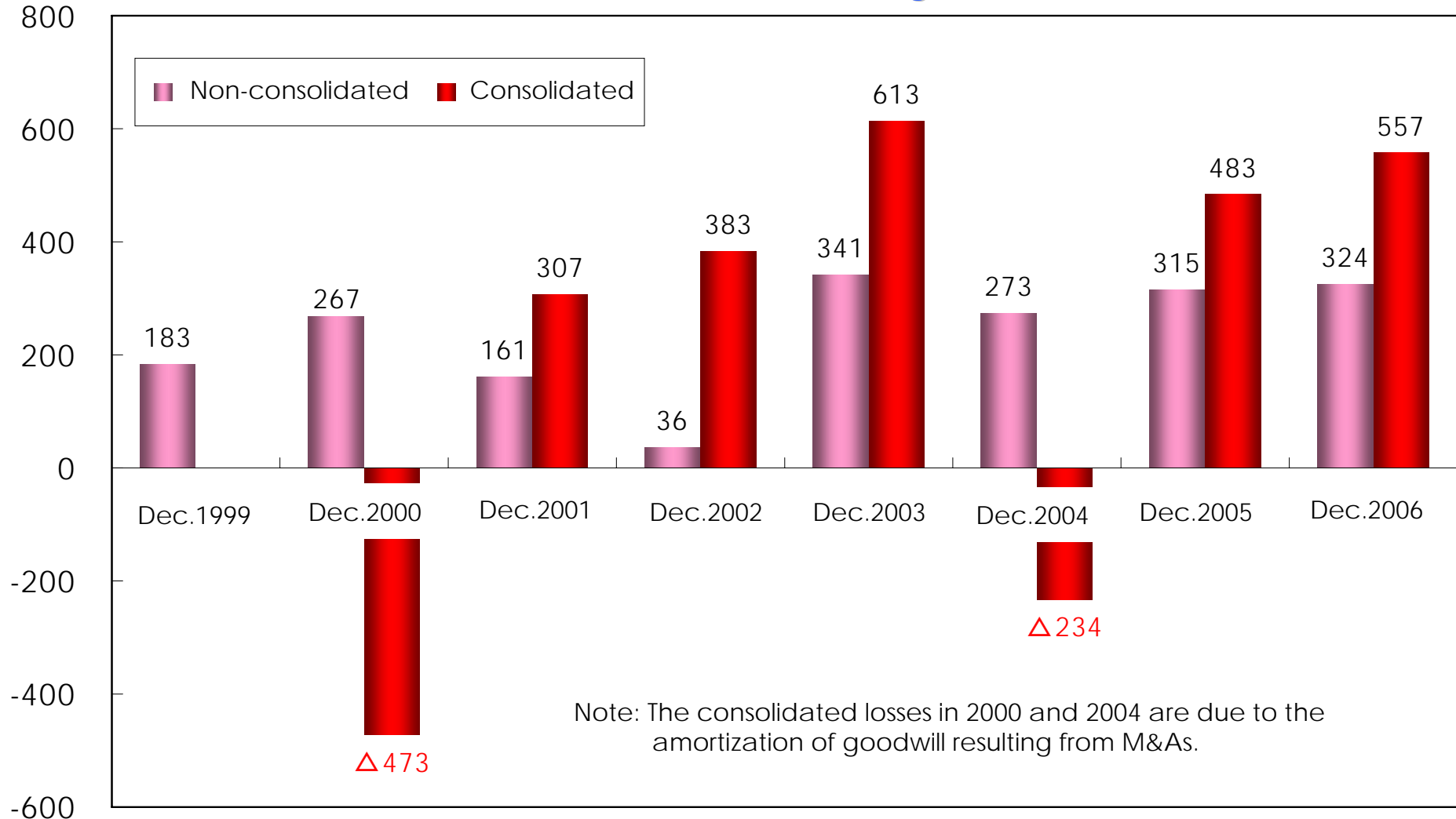


3. Net Income (Consolidated, Non-consolidated)

YoY change (Consolidated): 115.4%

YoY change (Non-consolidated): 102.7%

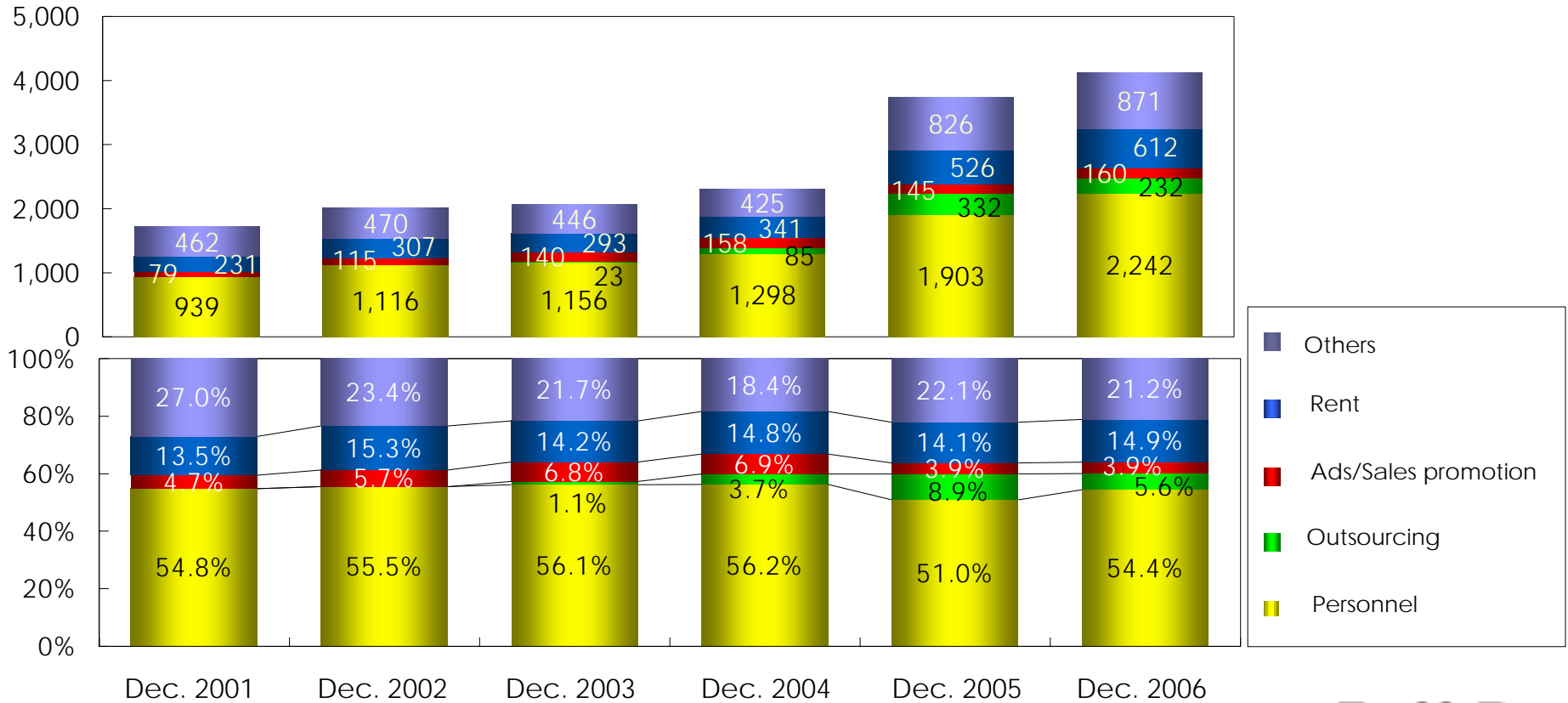
(million yen)



4. SG&A Expenses (Consolidated)

Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Accounting Period
2,428	2,765	2,705	2,940	4,684	5,196	Gross profit (million yen)
939	1,116	1,156	1,298	1,903	2,242	Personnel (million yen)
1,714	2,009	2,058	2,309	3,735	4,120	SG&A (million yen)
2.58	2.48	2.34	2.26	2.46	2.32	Gross profit/Personnel
1.42	1.38	1.31	1.27	1.25	1.26	Gross profit/SG&A

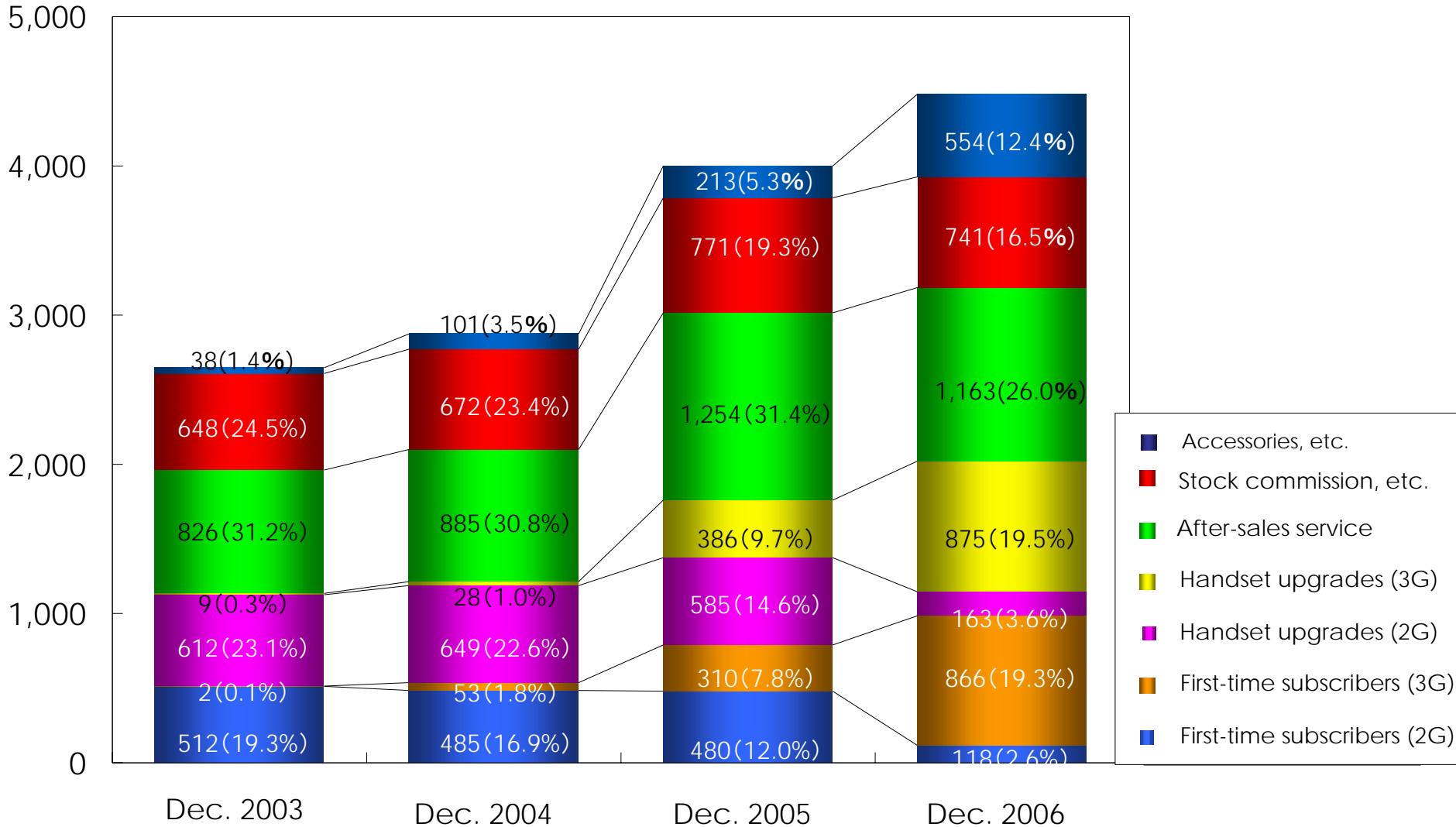
(million yen)



5. Composition of Gross Profit (Consolidated)

- Mobile Phone Sales Business -

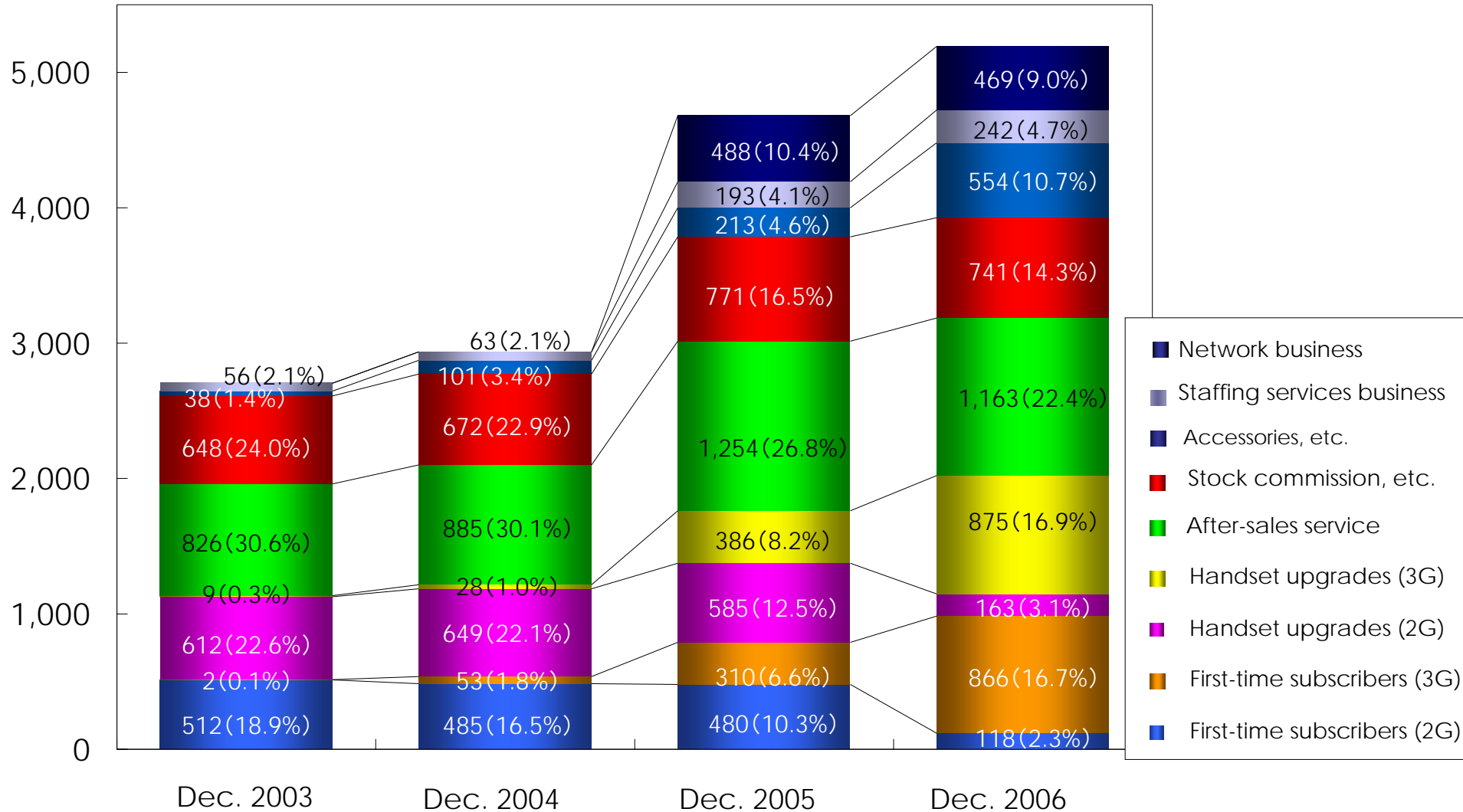
(million yen)



6. Composition of Gross Profit (Consolidated)

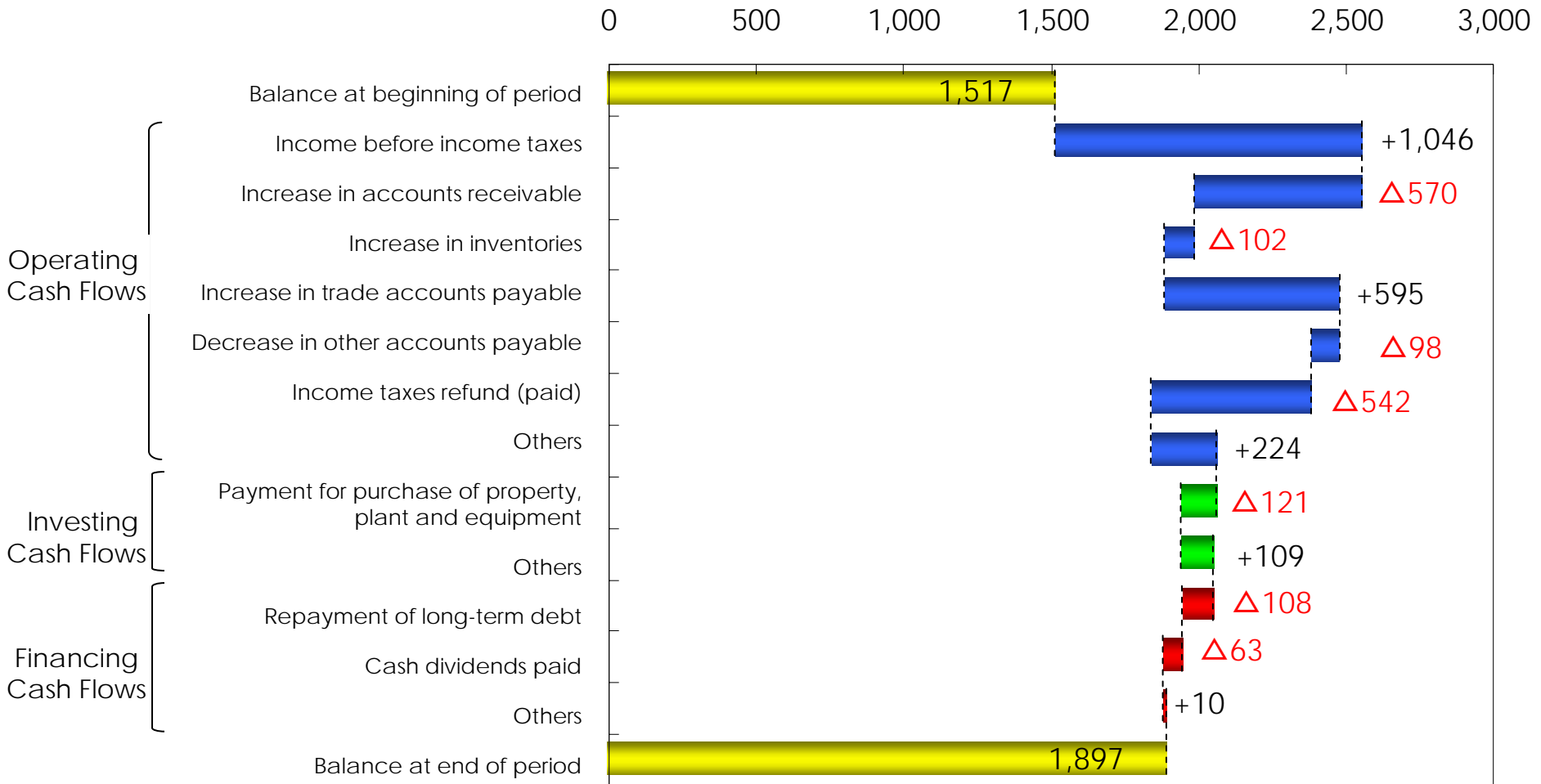
- All Businesses -

(million yen)



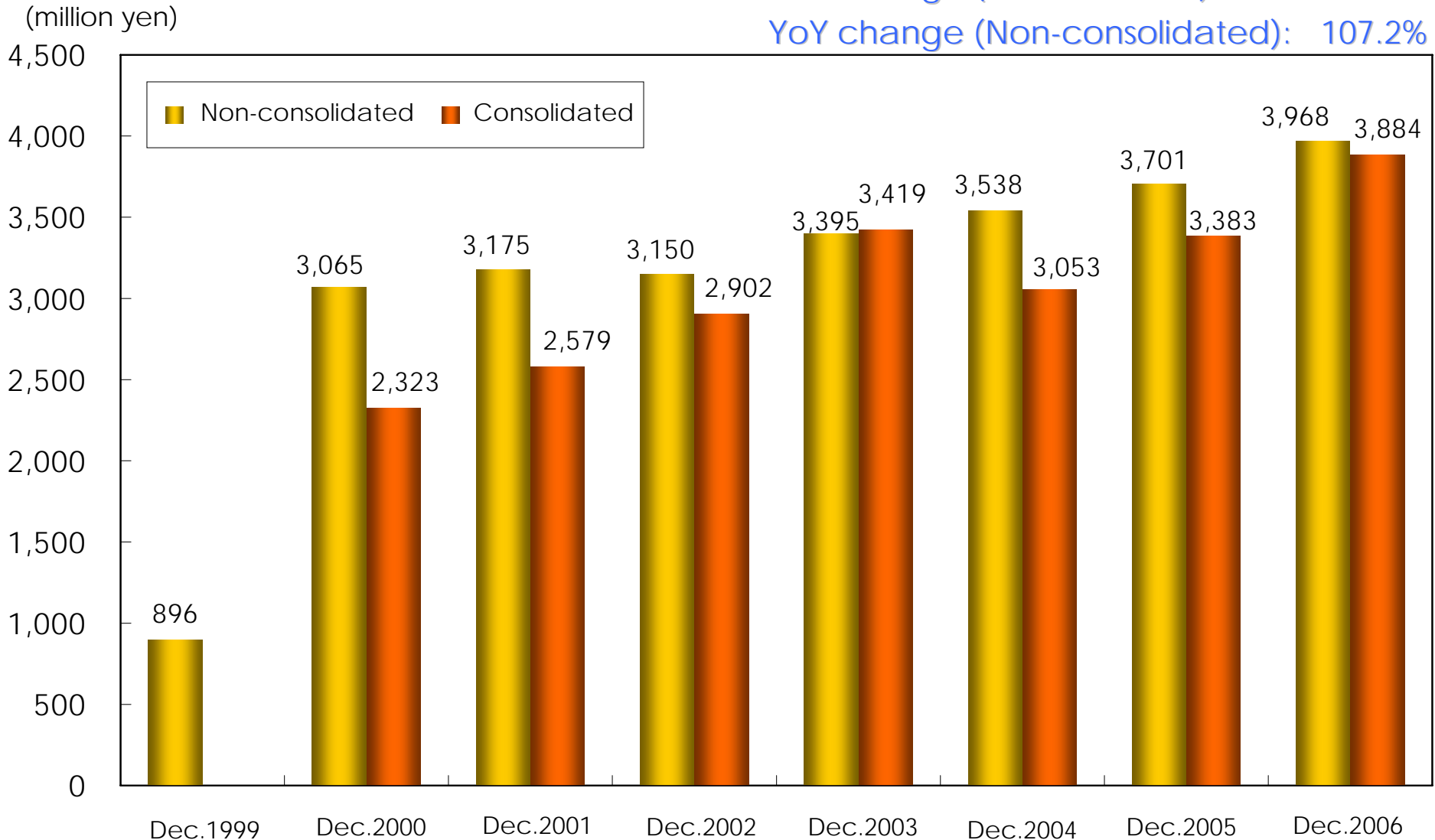
7. Composition of Cash Flows (Consolidated)

(million yen)



8. Net Assets (Consolidated, Non-consolidated)

YoY change (Consolidated): 114.8%
YoY change (Non-consolidated): 107.2%

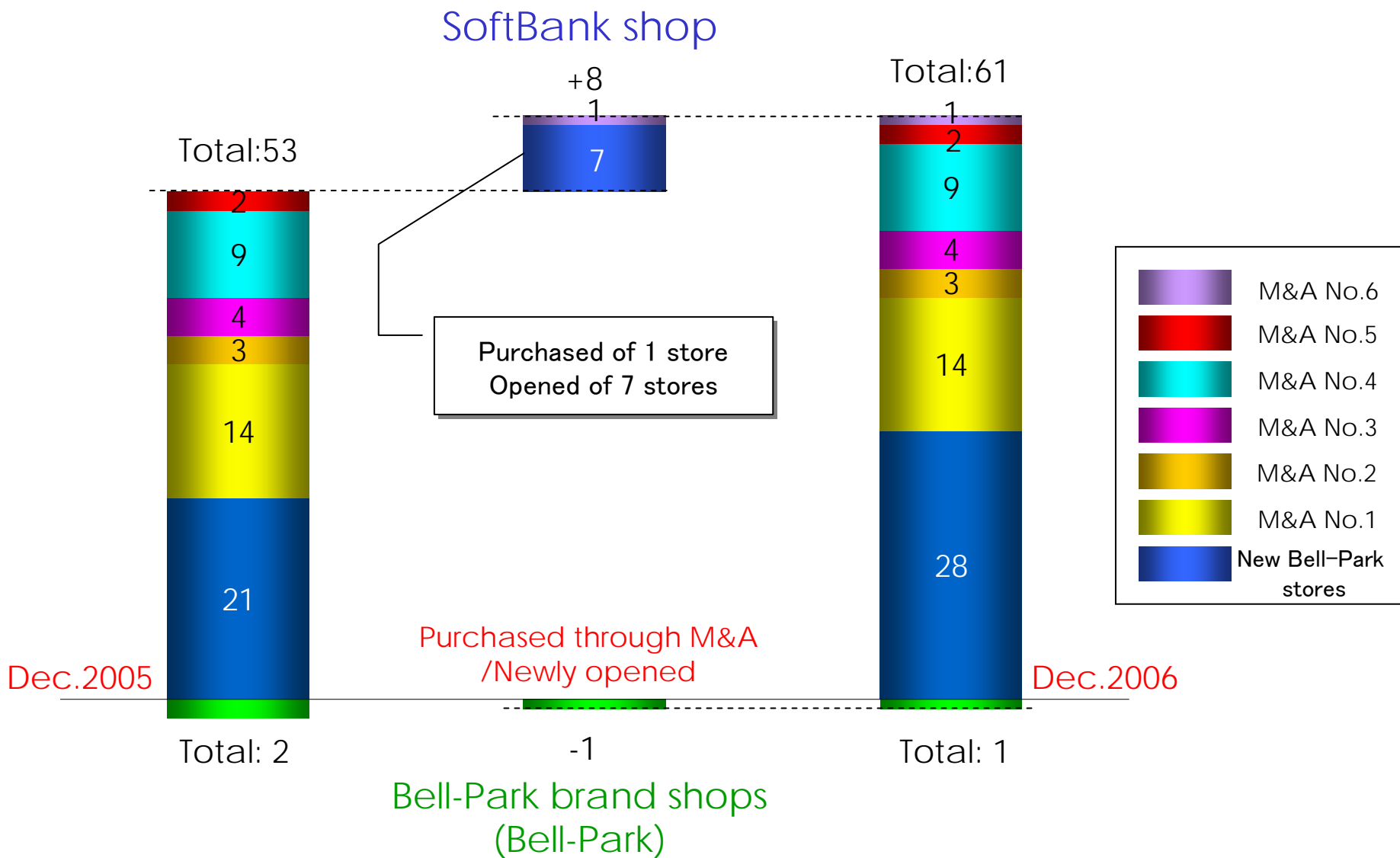


9. Financial Indicators (Consolidated)

		Dec. 2004	Dec. 2005	Dec. 2006
Profitability	Ratio of ordinary income to total assets	10.4%	13.9%	14.9%
	Return on equity	-7.2%	15.0%	15.3%
	Gross profit margin	17.9%	19.2%	21.3%
	Ratio of ordinary income to net sales	3.9%	3.9%	4.5%
Efficiency	Capital turnover (times/year)	2.68	3.57	3.34
	Receivables turnover period (day)	40.7	34.5	40.2
	Inventory turnover period (day)	20.6	17.6	20.1
Safety	Equity ratio	44.7%	49.7%	49.9%
	Current ratio	156.5%	165.8%	167.7%

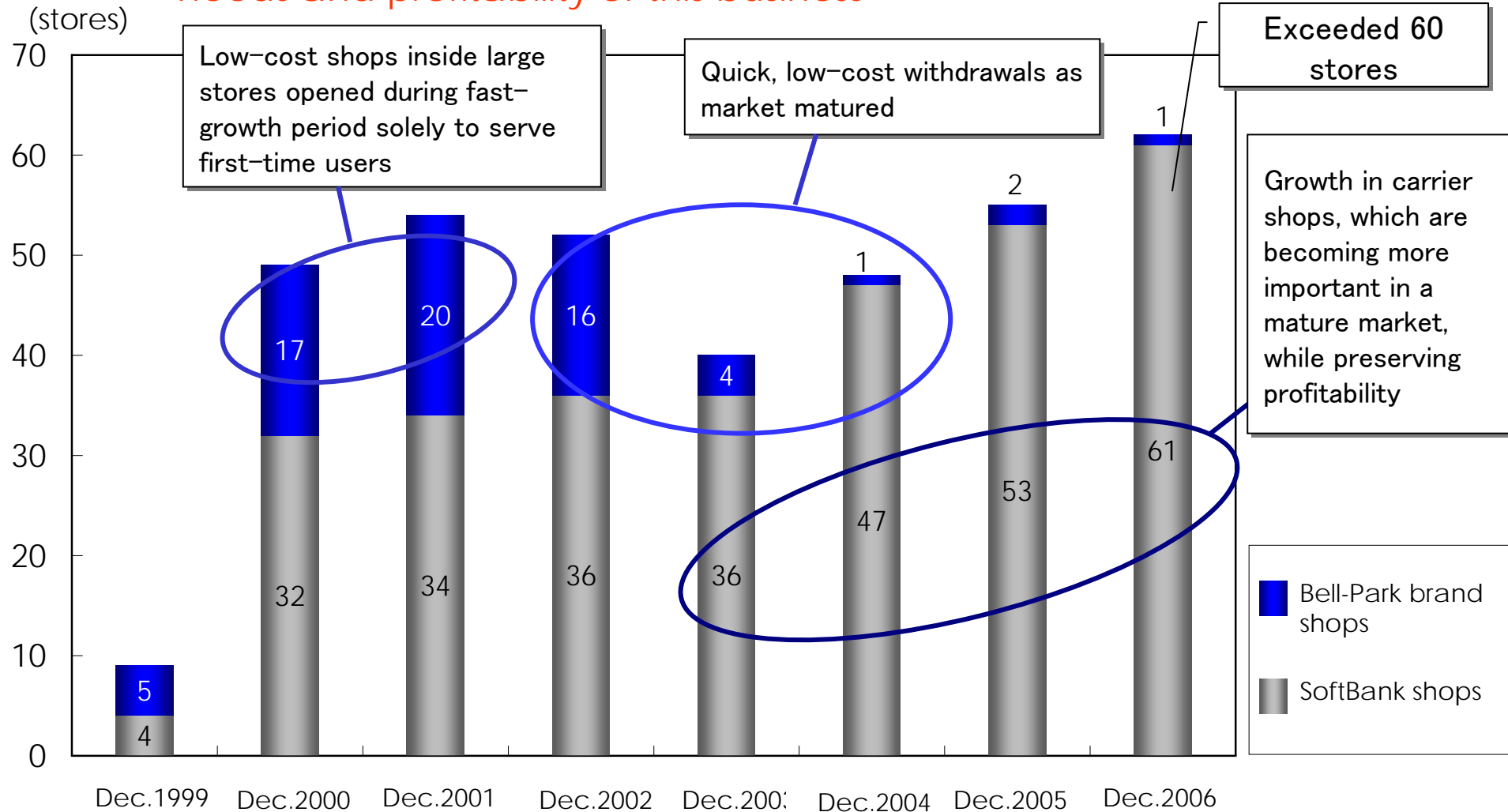
IV Supplementary Material
IV-2 2006 Operating Summaries
(Mobile Phone Sales Business)

1. Changes in Number of Stores



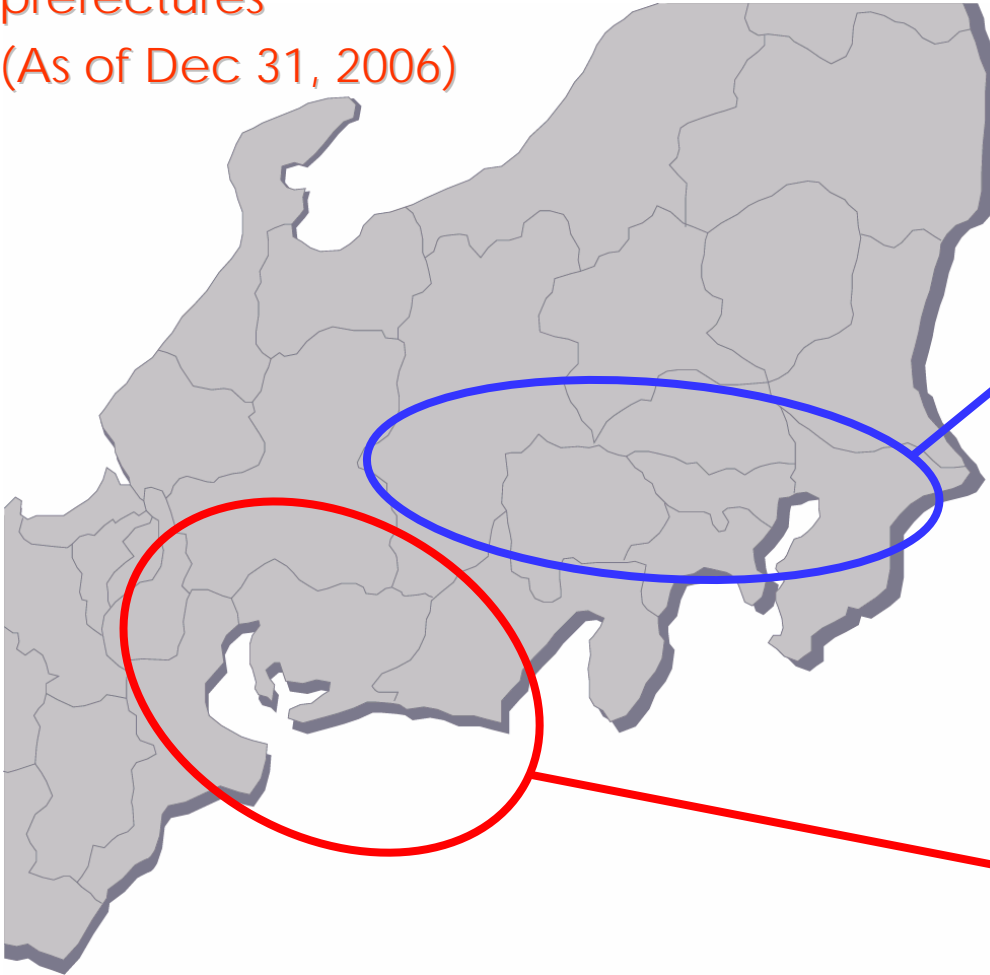
2. Number of Stores

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



3. Store Network

61 SoftBank shops, one Bell-Park's own brand shops in Tokyo and eight other prefectures
(As of Dec 31, 2006)



Kanto Area Stores

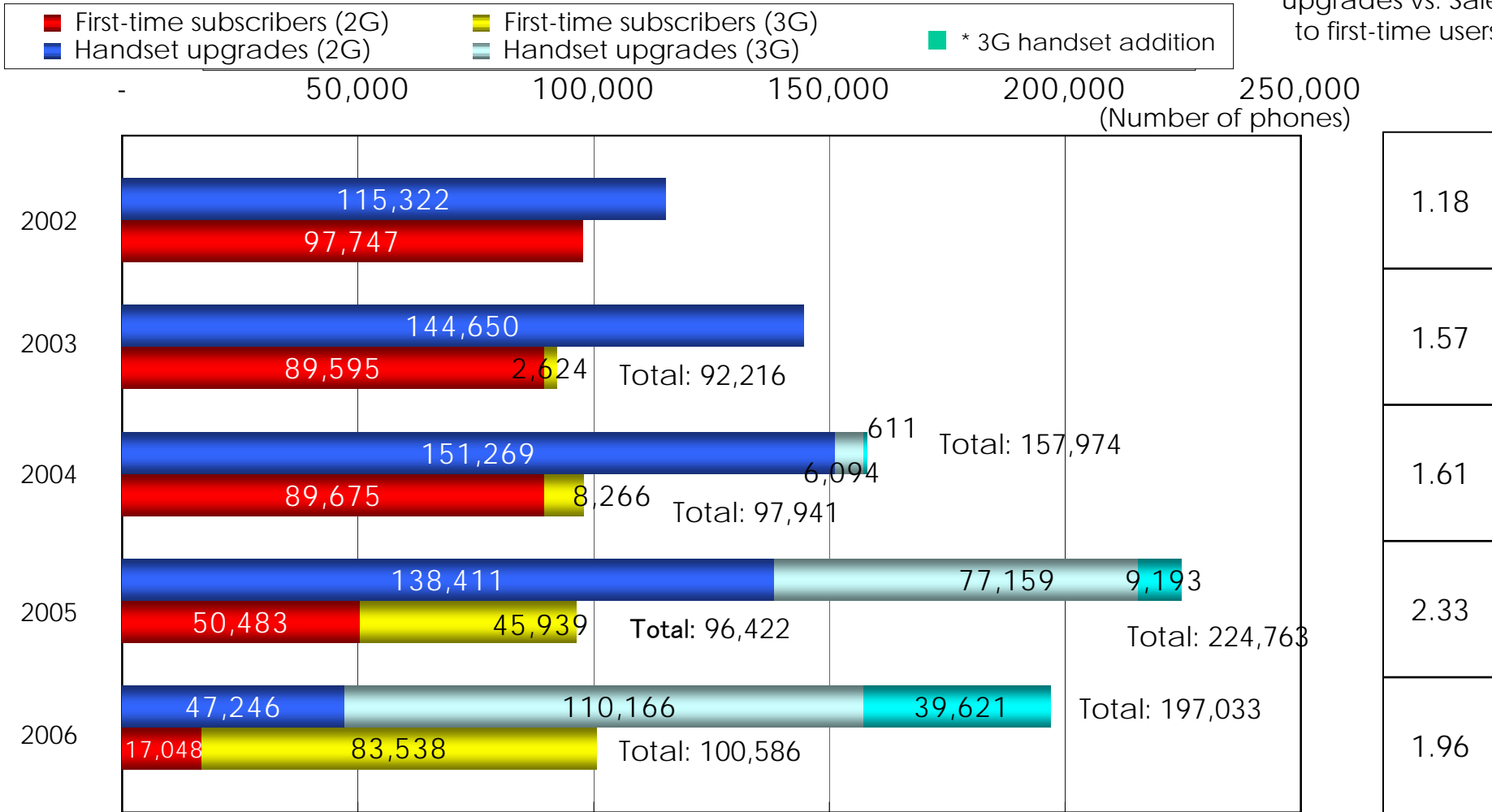
	SoftBank shop	Bell-Park brand shops
Tokyo	31	0
Kanagawa	5	0
Chiba	5	0
Saitama	9	0
Nagano	1	0
Subtotal	51	0

Tokai Area Stores

	SoftBank shop	Bell-Park brand shops
Aichi	4	1
Shizuoka	1	0
Gifu	1	0
Mie	4	0
Subtotal	10	1

4. Number of Mobile Phones Sold

Mobile phone upgrades vs. Sales to first-time users



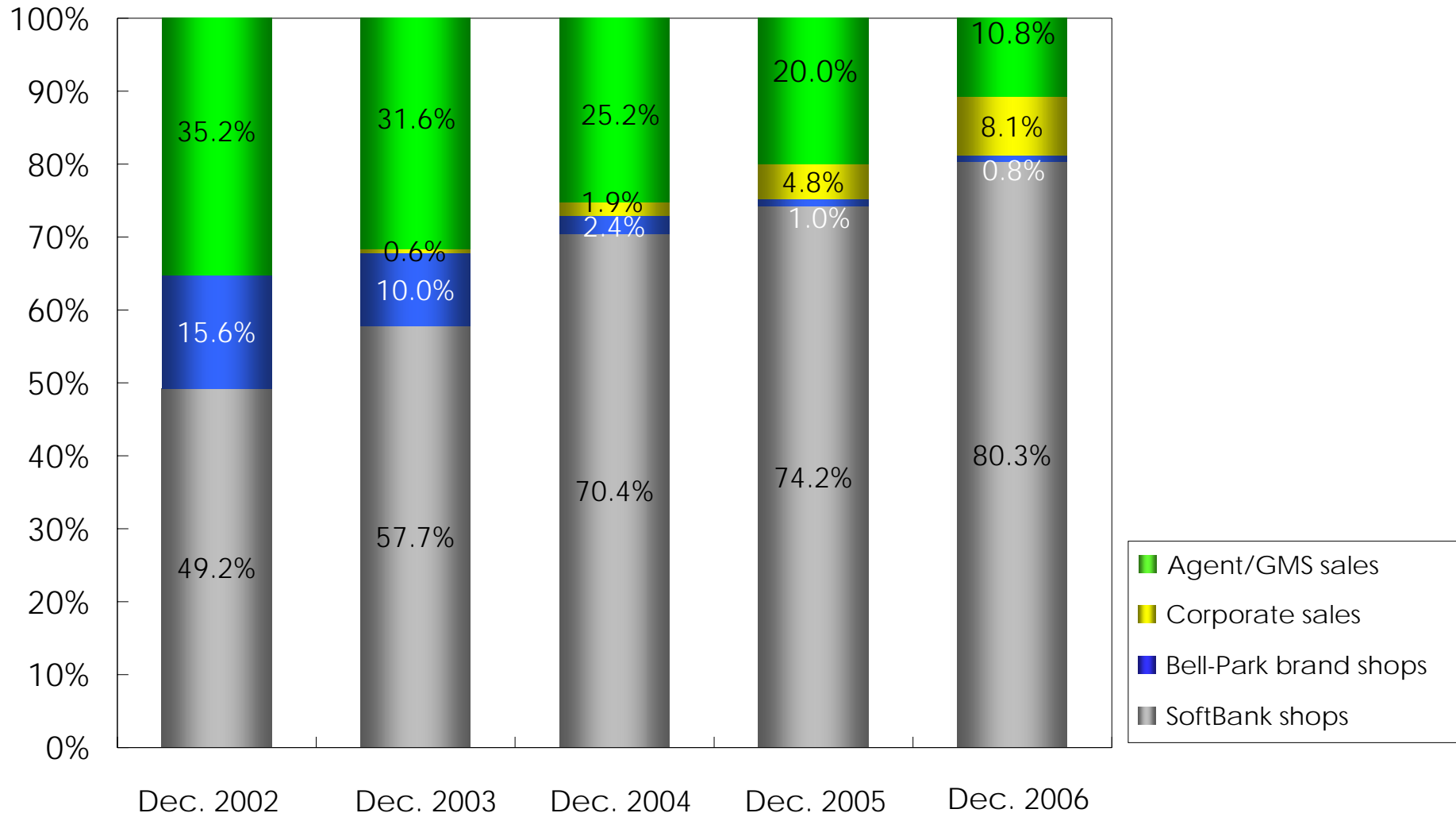
*3G handset addition:

Additional purchase of only a 3G handset by customers who are already SoftBank mobile phone subscribers.

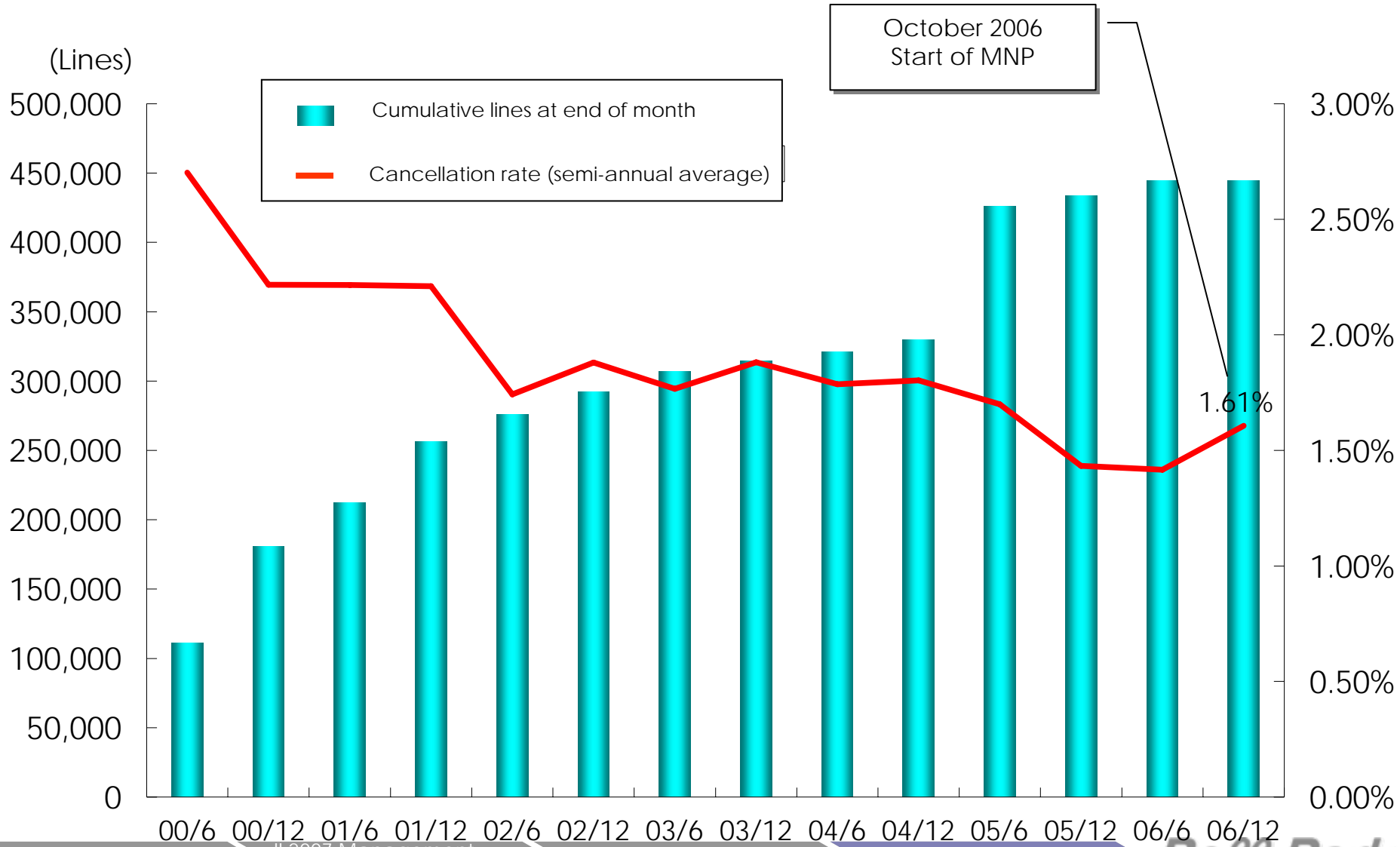
5. Changes in Composition of First-time-User Sales Channels

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