

Bell-Park

Results of Operations

Year ended December 31, 2007

February 15, 2007

Bell-Park Co., Ltd.



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

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“2007 Financial and Operating Summaries”

I Financial Highlights

I-1 Consolidated Highlights

2007 Financial Highlights

- Performance in the fourth quarter of 2007 was weak for a number of reasons: a decline in terms for commissions received; a downturn in the number of handsets sold per shop due to the large increase in the number of SoftBank shops of all types; the sudden drop in replacement sales caused by sales using installment payments; and higher expenses to open more stores. However, there was a large increase in the number of handsets sold to new subscribers due to SoftBank's strong performance. As a result, Bell-Park's **ordinary income rose to an all-time high for the third consecutive year.**
- Opened 24 shops (21 new shops and 3 purchased shops). Also signed sales agent agreements with two Kansai-area sales agents to start operations in this part of Japan. The number of shops rose from 61 (60 directly operated and one franchised) at the end of 2006 to 104 (82 directly operated and 22 franchised) at the end of 2007 as Bell-Park expanded the scale of its operations.

Bell-Park believes that recruiting and training personnel will be critical to its ability to survive and win in the mobile phone retailing business from a medium- to long-term perspective. Based on this stance, the Company focused on conducting aggressive recruiting activities and on training and other programs to upgrade the skills of employees.

Due to these initiatives, consolidated ordinary income was 1,685 million yen, 54.9% higher than in 2006.

Summary of 2007 Consolidated Results

(million yen, %)

	2006		2007		YoY change		Remarks
	Amount	Comp.	Amount	Comp.	Amount	%	
Net sales	24,356	100.0	31,453	100.0	+7,096	+29.1	1) Mobile: +6,819 Mainly reflects increase in the number of new mobile phone service subscriptions as the number of shops increased. 2) Staffing: +521 Increase in the number of individuals to assignment as the number of sales bases increased. 3) Other: -244 Decline in fixed-line service sales.
Gross profit	5,196	21.3	6,886	21.9	+1,689	+32.5	1) Mobile: +1,874 Increases in the number of new mobile phone service subscriptions and gross profit per unit. 2) Staffing: +66 Increase in the number of individuals to assignment. 3) Other: -251 Decline in fixed-line service sales.
SG&A expenses	4,120	16.9	5,202	16.5	+1,081	+26.3	1) Mobile: +1,426 Personnel +513, outsourcing +263, advertising/sales promotion +220, rent +140, supplies +101, others +187 2) Staffing: -3 Personnel -25, recruiting +21, others +1 3) Other: -395 Decline in personnel and outsourcing expenses due to downsizing the business. 4) Administrative: +53 Larger workforce in administration division, etc.
Operating income	1,076	4.4	1,684	5.4	+608	+56.5	Same as above reasons
Ordinary income	1,087	4.5	1,685	5.4	+597	+54.9	Same as above reasons
Extraordinary income (loss)	(41)	(0.2)	47	0.2	+89	+214.6	Office movement reimbursement +39, Gain on transfer of business +18
Income before income taxes	1,046	4.3	1,733	5.5	+687	+65.7	Same as above reasons
Net income	557	2.3	840	2.7	+283	+50.8	Same as above reasons

I Financial Highlights

I-2 Business Results by Operating Segment

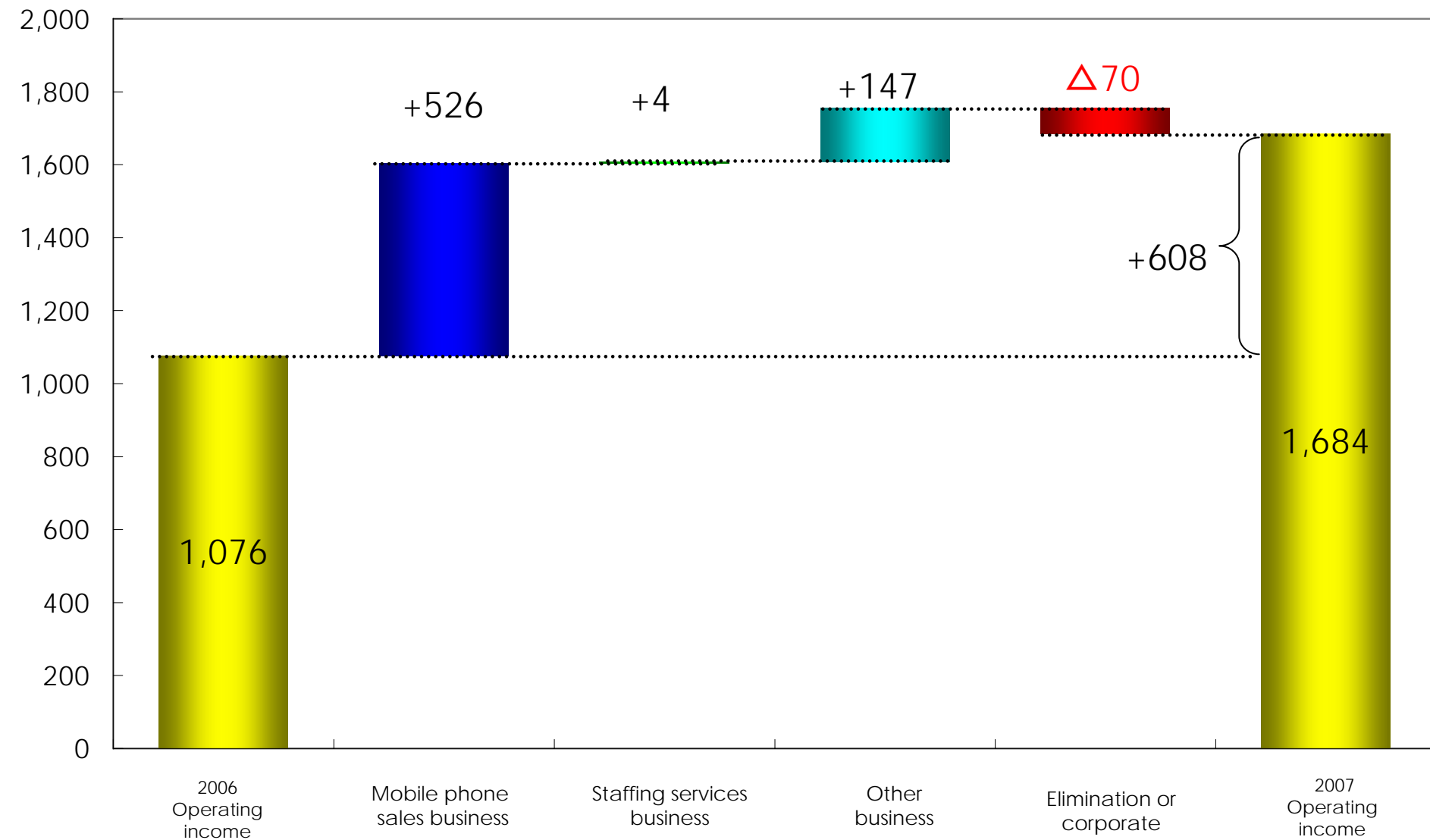
Operating Results by Business Segment

(million yen, %)

	2006 Results		2007 Results		YoY change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Mobile phone sales business	22,579	1,603	29,401	2,129	+30.2	+32.8
Staffing services business	1,531	1	1,986	6	+29.8	+216.3
Other business	466	△120	222	27	△52.3	+122.7
Elimination or corporate	△220	△408	△157	△478	-	-
Consolidation	24,356	1,076	31,453	1,684	+29.1	+56.5

Factors Affecting Profitability by Business Segment

(million yen)



Mobile Phone Sales Business

Mobile Phone Sales Business: Summary

(million yen)

	2006 Results	2007 Results	YoY change
Net sales	22,579	29,401	+30.2%
Operating income	1,603	2,129	+32.8%

2007 – Operating Environment

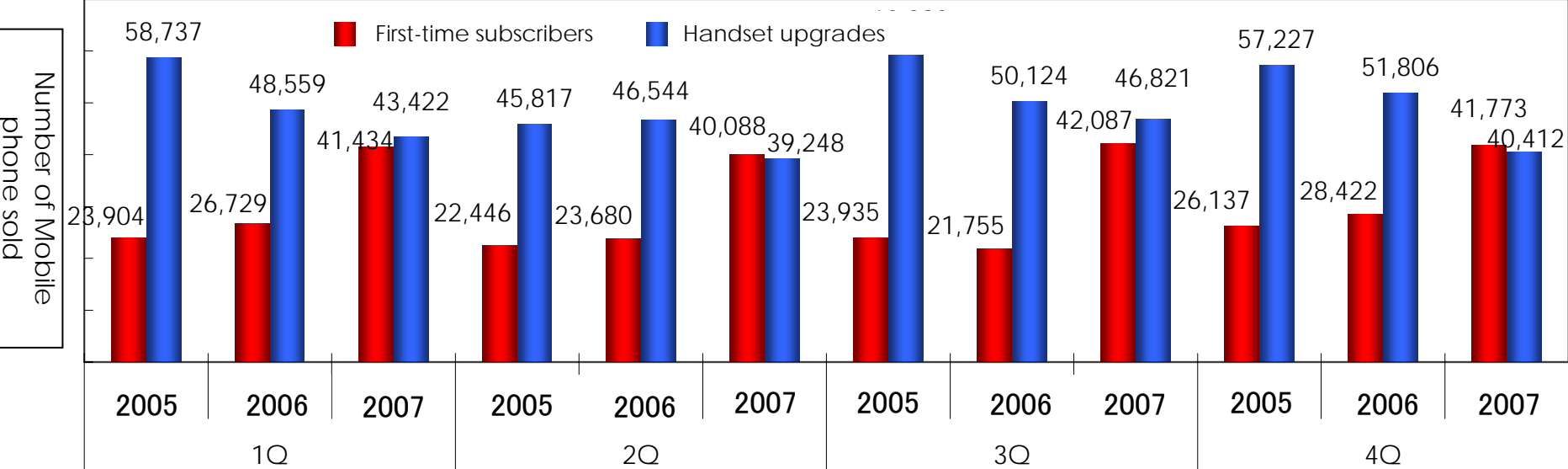
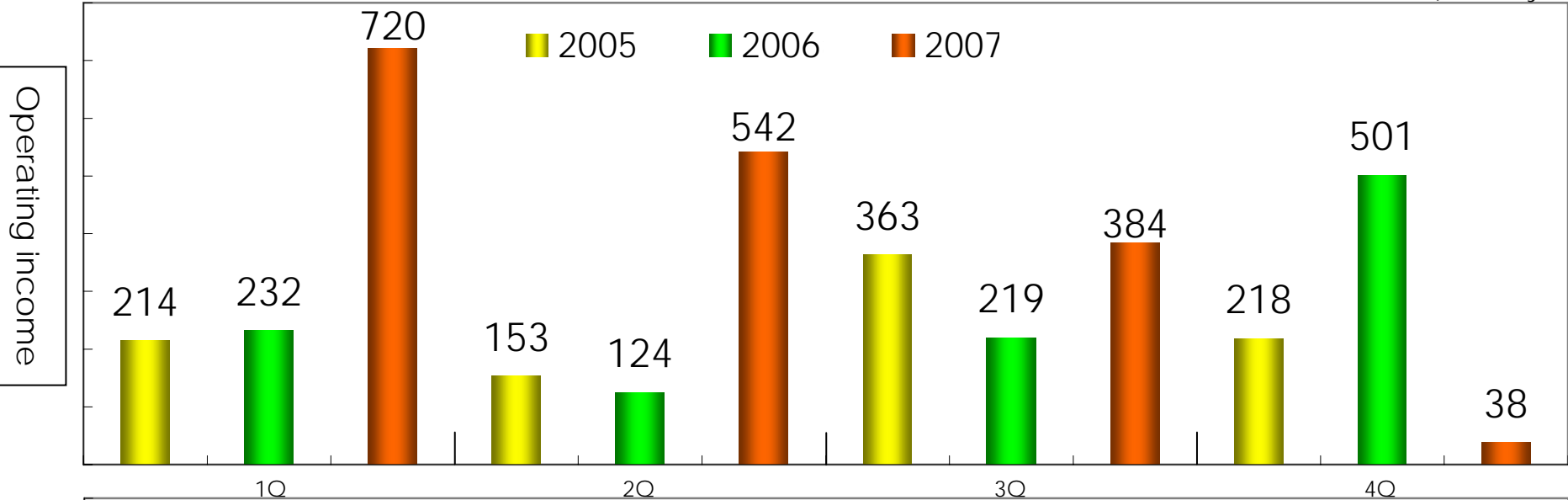
- SoftBank has been taking many actions aimed at growth. This company has introduced a large number and variety of handsets in multiple colors, started offering three innovative rate plans (White Plan, Double White Plan, and White Plan Family Discount 24), opened more shops and taken other actions. Due to these activities, SoftBank has ranked first for eight consecutive months since May in the net increase in the number of subscribers.

2007 – Initiatives and Achievements

- As part of SoftBank's actions to rapidly open more shops, Bell-Park added 24 shops (21 new shops and 3 purchased shops). In addition, Bell-Park signed sales agent agreements with two Kansai-area sales agents to start operations in the Kansai area. As a result, the number of SoftBank shops operated by Bell-Park increased from 61 at the end of 2006 to 104 at the end of 2007.
- For corporate business, SoftBank has introduced a rate plan (Double White Plan) with corporate customers in mind, increased the corporate sales force and took other actions aimed at attracting new corporate subscribers.
- Due to these initiatives, operating income was up 32.8% to 2,129 million yen.

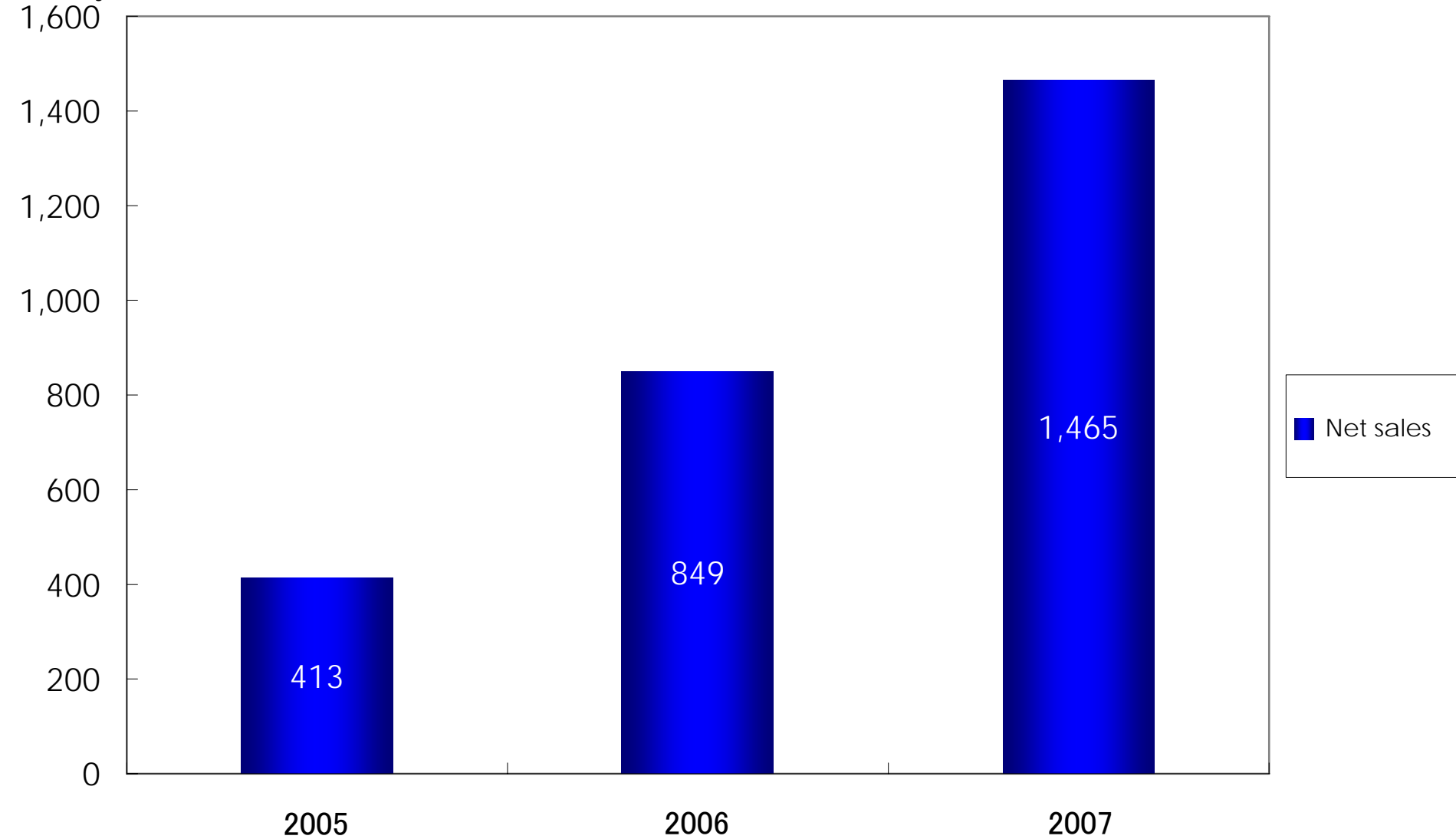
Quarterly Sales and Operating income

(million yen)



Corporate Sales

(million yen)



Staffing Services Business

Staffing Services Business: Summary

(million yen)

	2006 Results	2007 Results	YoY change
Net sales	1,531	1,986	+29.8%
Operating income	1.9	6.1	+216.3%

2007 – Operating Environment

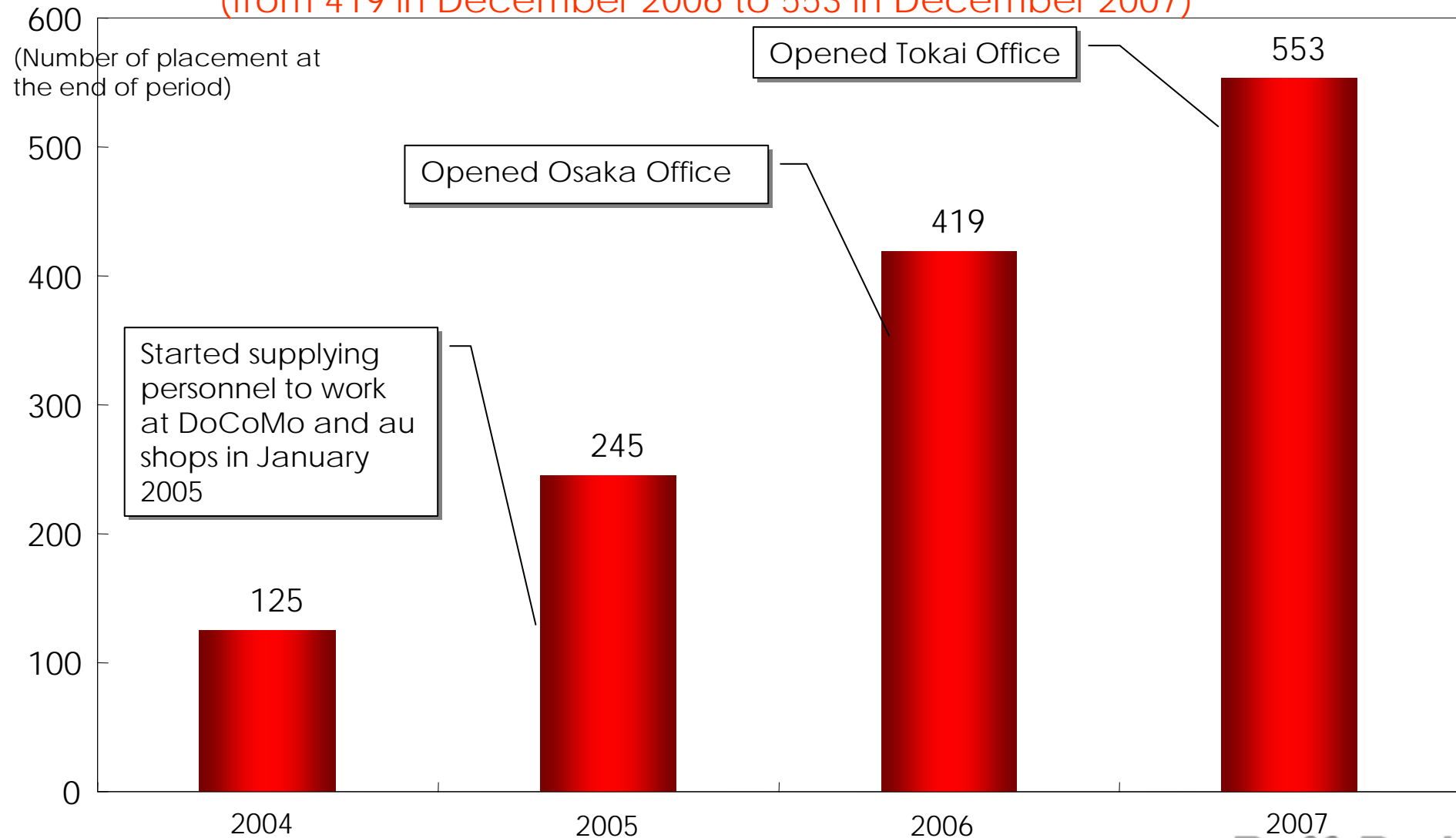
- Due in part to growth in the number of shops by mobile communication carriers, there is a consistent shortage of workers at all mobile phone sales agents. The result is consistently strong demand for sales personnel staffing services.
However, recruiting individuals to fill these sales positions is difficult because of the low level of unemployment in Japan.

2007 – Initiatives and Achievements

- Including the contribution from the new Nagoya office, which was started to target projected demand in this region, the number of personnel placed increased by 134 (31.9%), from 419 at the end of 2006 to 553 at the end of 2007.
- Due to these initiatives, sales increased steadily, producing operating income of 6 million yen, which was 216.3% higher than in 2006.

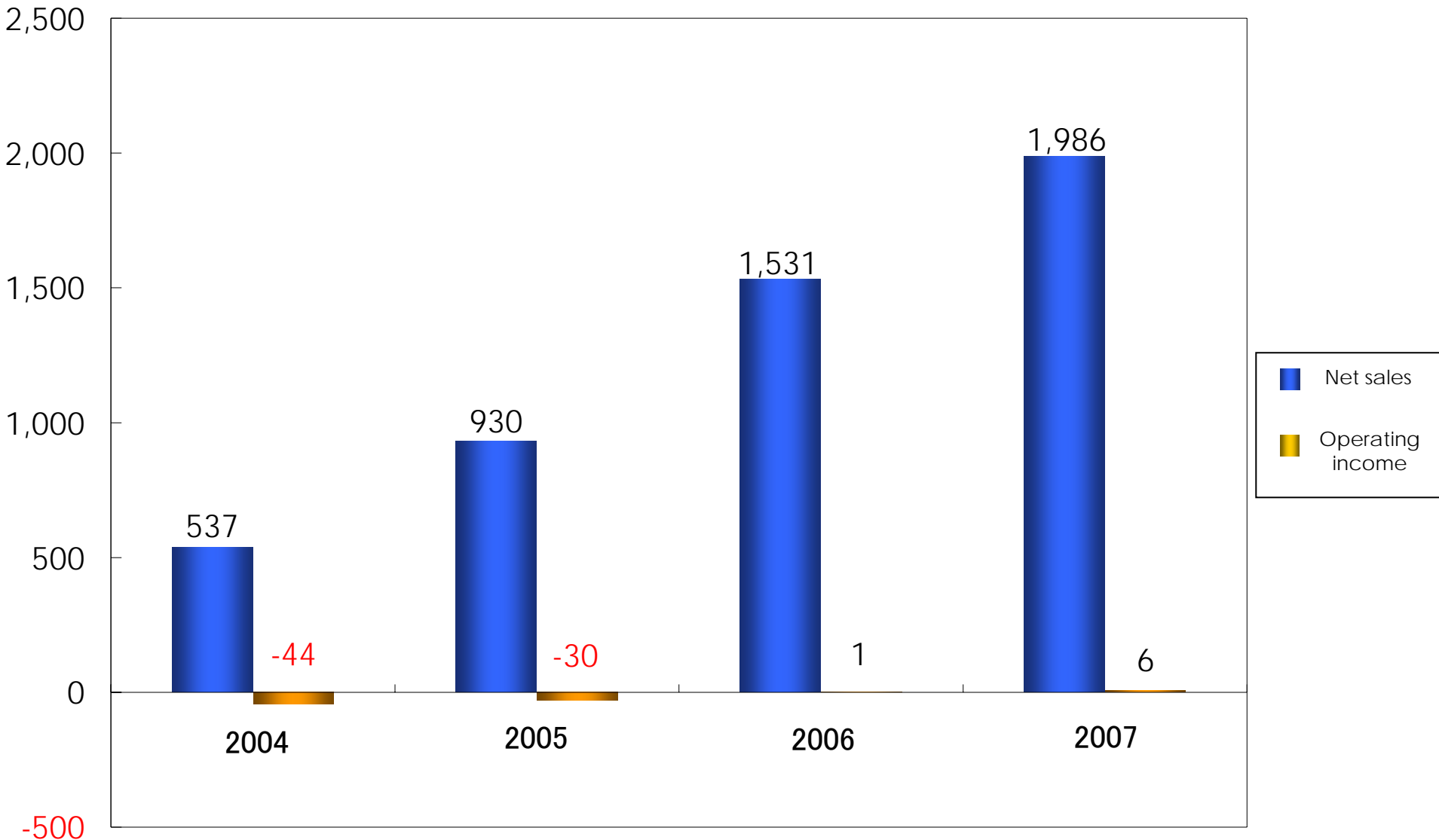
Staffing Services Business: Track Record

YoY growth in personnel placed of 31.9% as of the end of 2007
(from 419 in December 2006 to 553 in December 2007)



Staffing Services Business: Sales and Earnings (annual)

(million yen)



II 2008 Management Policies

Outlook for 2008

➤ Trends in demand for mobile phones by first-time users

SoftBank has ranked first for nine consecutive months since May 2007 in the net increase in subscribers. To come out ahead during the spring selling season, SoftBank introduced the “White Plan Student Discount,” started selling a Disney mobile phone, and offered a lineup of 16 handset models with 57 colors (including the Disney models), a selection that no other carrier can match. Overall, there are many positive events during the first half of 2008. But in the second half of the year, it became difficult to determine an outlook for all of 2008, partly because SoftBank had not announced its second-half strategy.

➤ Trends in sales commissions

Since the start of mobile phone number portability, sales commissions were high as one way to limit the switch of subscribers to other carriers until the 1Q of 2007. Subsequently, commissions have been slowly reduced and adjusted. Looking ahead, sales commissions across the entire industry may decline gradually in conjunction with the downturn in average revenue per user (ARPU) at carriers.

➤ More competition among SoftBank shops

Due to SoftBank’s decision to open many more shops during 2007, the number of these shops rose from 1,925 at the end of 2006 to 2,521 at the end of 2007. This increase of about 30% in the number of shops sparked intense competition among these shops, causing sales per shop to decline.

➤ Longer time between handset replacements

Sales of replacement handsets dropped sharply in the fourth quarter of 2007. One cause was greater competition among SoftBank shops. But SoftBank’s introduction of an installment payment system in October 2006 has probably caused many subscribers to use their handsets longer before seeking a replacement. In 2008, installment payments may cause a substantial downturn in demand for replacing older handsets with new models.

Bell-Park Group Management Policies for 2008

Medium-term goals and initiatives

Survive and win in the mobile phone sales business



- Make shops more profitable
- Increase corporate sales activities

Reduce business risk by extending operations to peripheral market sectors



- Enlarge the scope of staffing services
- Sales of luxury mobile handsets

2008 policies for mobile phone sales

1) Improve profitability of shops

2) Improvement in terms for commissions received

3) Focus on corporate market

4) Start selling luxury mobile handsets

2008 policies for staffing services

1) Strengthen staffing services for mobile phone sales

2) Make new offices profitable quickly

1) Improve profitability of shops

One of the most urgent issues is taking actions to improve earnings per store, which have dropped because of the more intense competition among SoftBank shops. To accomplish this, Bell-Park is reinforcing the sales capabilities of its shops. There are many initiatives: effective sales promotion activities to attract more people to shops; training to enable store personnel to offer customers better information and ideas; and the development of products that can raise unit sales.

Furthermore, since Bell-Park's SoftBank shop operations have grown to a network of more than 100 locations, the Company is building an efficient operating framework, such as through organizational changes and the use of data systems, that can generate economies of scale.

2) Improvement in terms for commissions received

Work on improving the terms for commissions received by negotiating with SOFTBANK MOBILE while increasing its sales volume through the initiatives described above.

With regard to the commission structure, negotiate with SOFTBANK MOBILE with the aim creating a framework that will allow Bell-Park to conduct consistently sound business operations as a partner of SOFTBANK MOBILE.

3) Focus on corporate market

Continue to target the corporate market, which has immense growth potential, as competition with other mobile phone sales agents heats up. SoftBank has introduced a rate plan (Double White Plan) with corporate customers in mind. In order to fully capitalize on this opportunity, Bell-Park is enlarging its sales force and reinforcing its operating framework with the aim of increasing sales to corporate users.

4) Start selling luxury mobile handsets

For many years, the Bell-Park Group has positioned the mobile phone sales business as its primary source of earnings. The Group has achieved significant growth as the exclusive sales agent of SOFTBANK MOBILE.

To target diversifying needs in Japan's mature mobile phone market, Bell-Park has started selling VERTU luxury handsets. A sales agent contract was signed in June 2007 and sales are to begin in the fall of 2008. Bell-Park plans to use this business to expand its operations and diversify its profit structure.

In 2008, the VERTU handset business will not have a significant effect on operating results because of the size of this business and start of sales late in the year.

The VERTU Luxury Mobile Handset Business

Profile of VERTU

VERTU is the brand used by the luxury mobile handset business of Nokia Corporation, which is based on Finland (Head office: Espoo, Finland, Chairman: Olli-Pekka Kallasvuo). VERTU is currently the world's leading brand for high-end handsets. Each VERTU handset is built by hand in England by highly skilled craftsmen. The handsets are sold in 48 countries at shops that handle only VERTU products, at more than 370 shops that also sell jewelry and luxury watches, and at department stores.

For more information: <http://www.vertu.com>

1) Strengthen staffing services for mobile phone sales

At all mobile phone sales agents, one of the most important issues is improving the retention of shop personnel. In the fall of 2007, carriers started selling handsets using installment payments and SOFTBANK MOBILE launched a new plan called the "White Plan Student Discount." Very strong demand for sales personnel is expected again in 2008 because of the high-profile sales promotion activities of the sales agents.

To take full advantage of this demand, consolidated subsidiary Japan Pro Staff Co., Ltd. will work on recruiting activities in order to supply mobile phone sales personnel, its core business. In addition, plans for 2008 include providing more workers for positions associated with mobile phone sales, such as assistants to work at large retailers.

2) Make new offices profitable quickly

Establish a three-base network covering the Tokyo-Nagoya-Osaka region by expanding the staffing services operations of the Nagoya office, which began operations in 2007.

Quickly build an operating framework that can contribute to earnings by concentrating on the core mobile phone sales personnel staffing service.

III 2008 Earnings Plan

2008 Earnings Plan

(million yen)

	First half		Full year	
	Net sales	Operating income	Net sales	Operating income
Mobile Phone Sales Business	16,600	760	34,400	1,560
Staffing Services Business	1,260	0	2,600	20
Other Business	100	15	200	20
Elimination or corporate	△60	△315	△100	△600
Consolidated	17,900	460	37,100	1,000

IV Supplementary Material

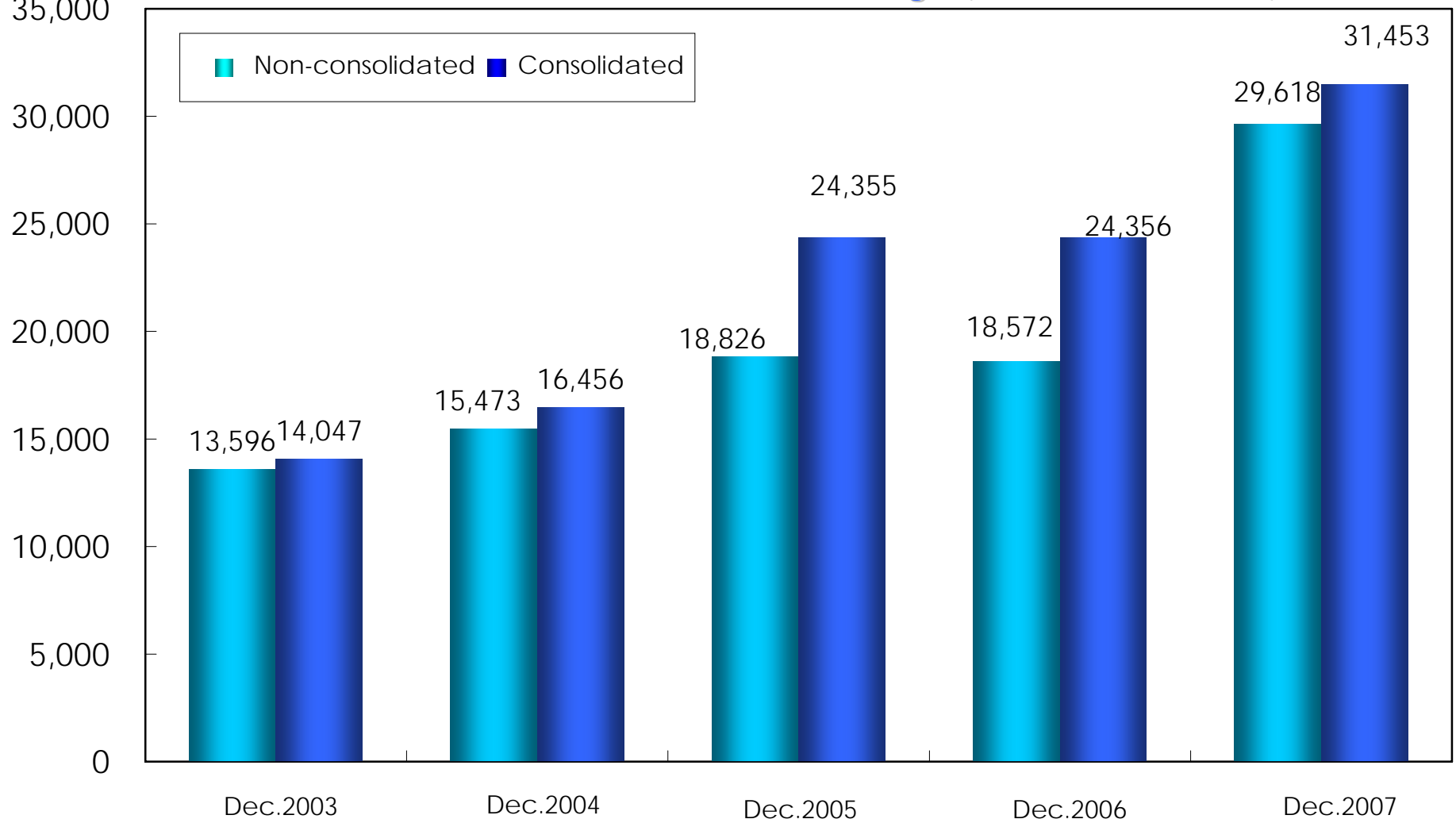
IV-1 2007 Financial Summaries

1. Net Sales (Consolidated, Non-consolidated)

(million yen)

YoY change (Consolidated): 129.1%

YoY change (Non-consolidated): 159.5%

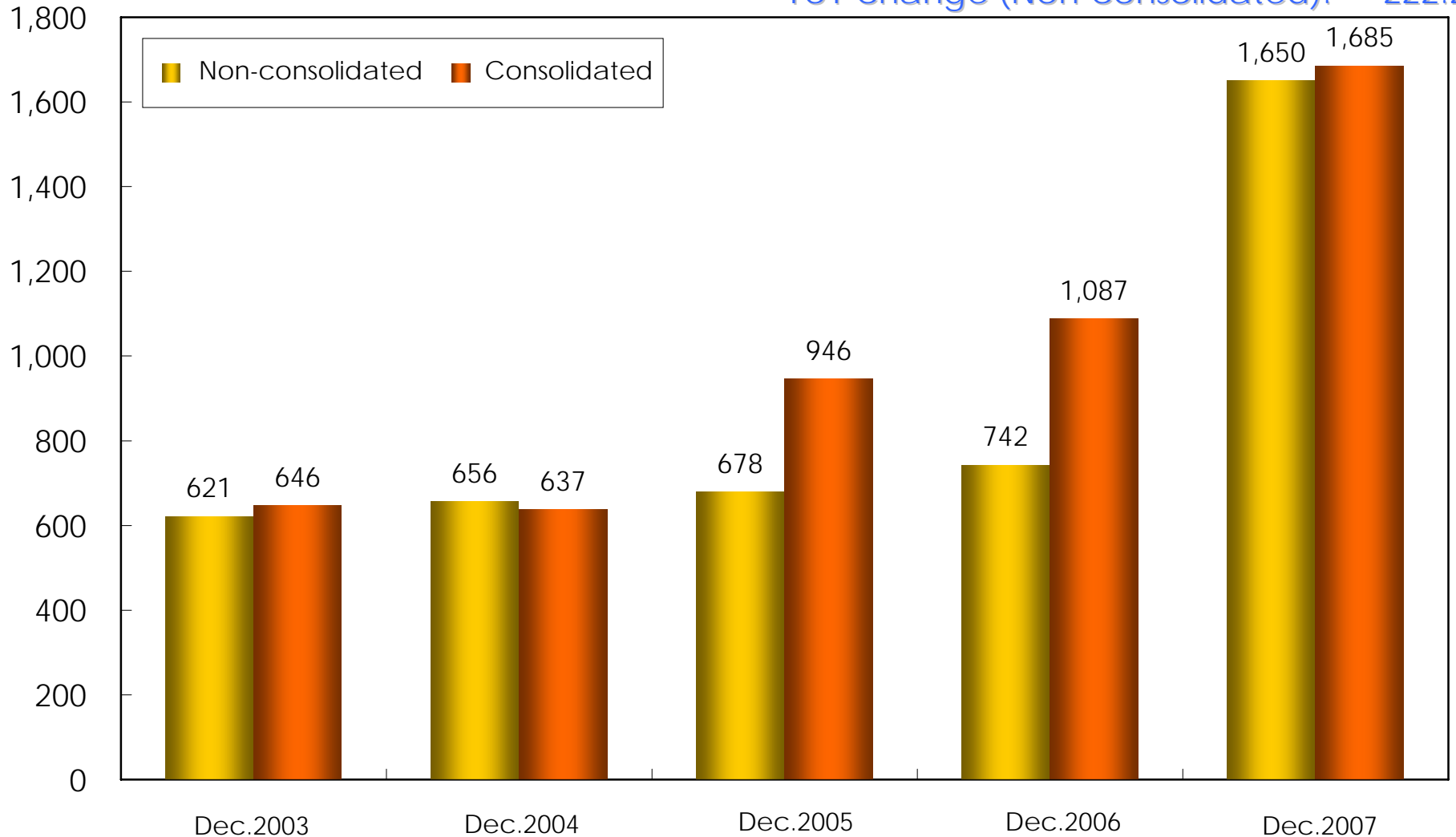


2. Ordinary Income (Consolidated, Non-consolidated)

YoY change (Consolidated): 154.9%

YoY change (Non-consolidated): 222.2%

(million yen)

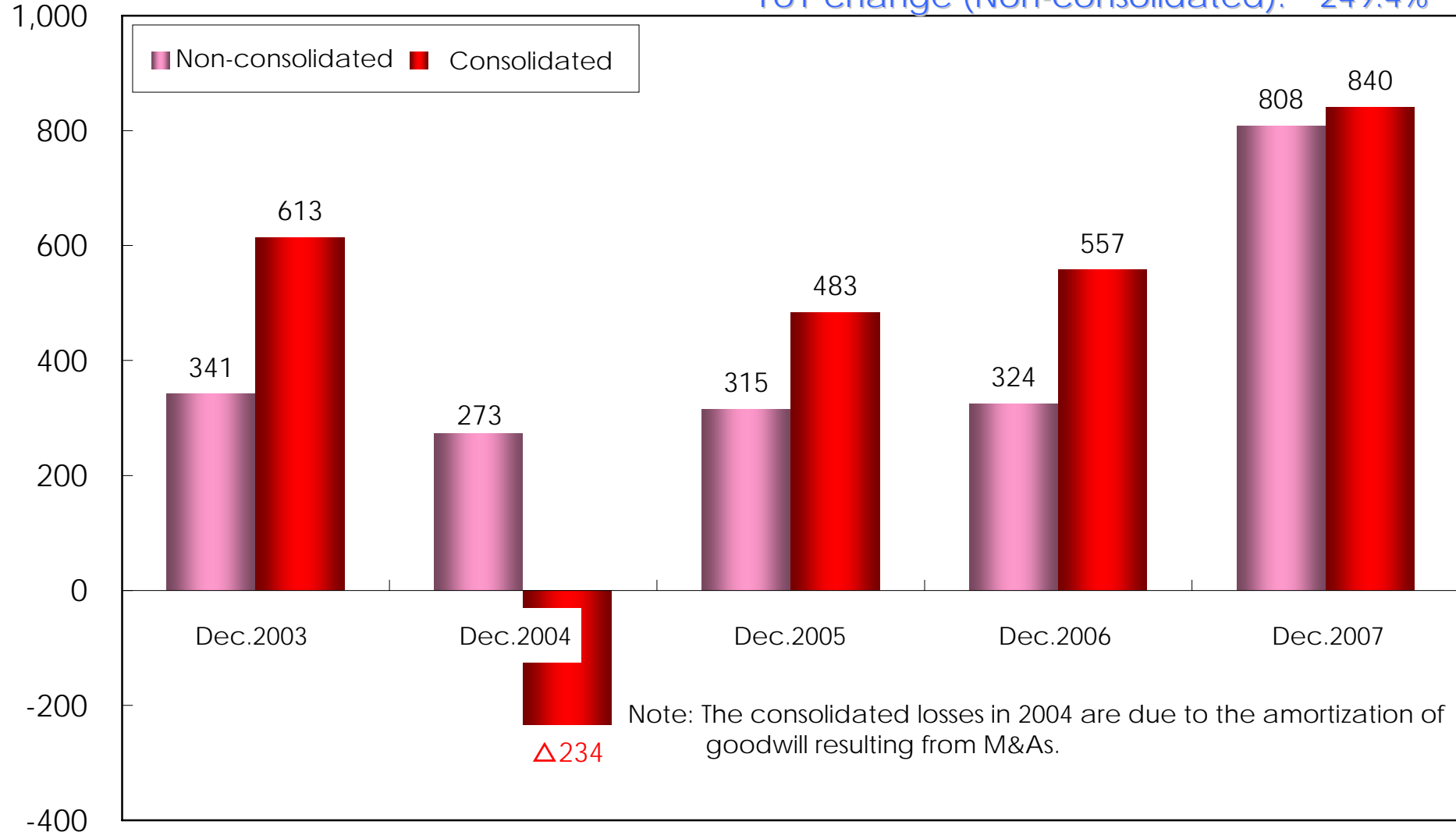


3. Net Income (Consolidated, Non-consolidated)

YoY change (Consolidated): 150.8%

YoY change (Non-consolidated): 249.4%

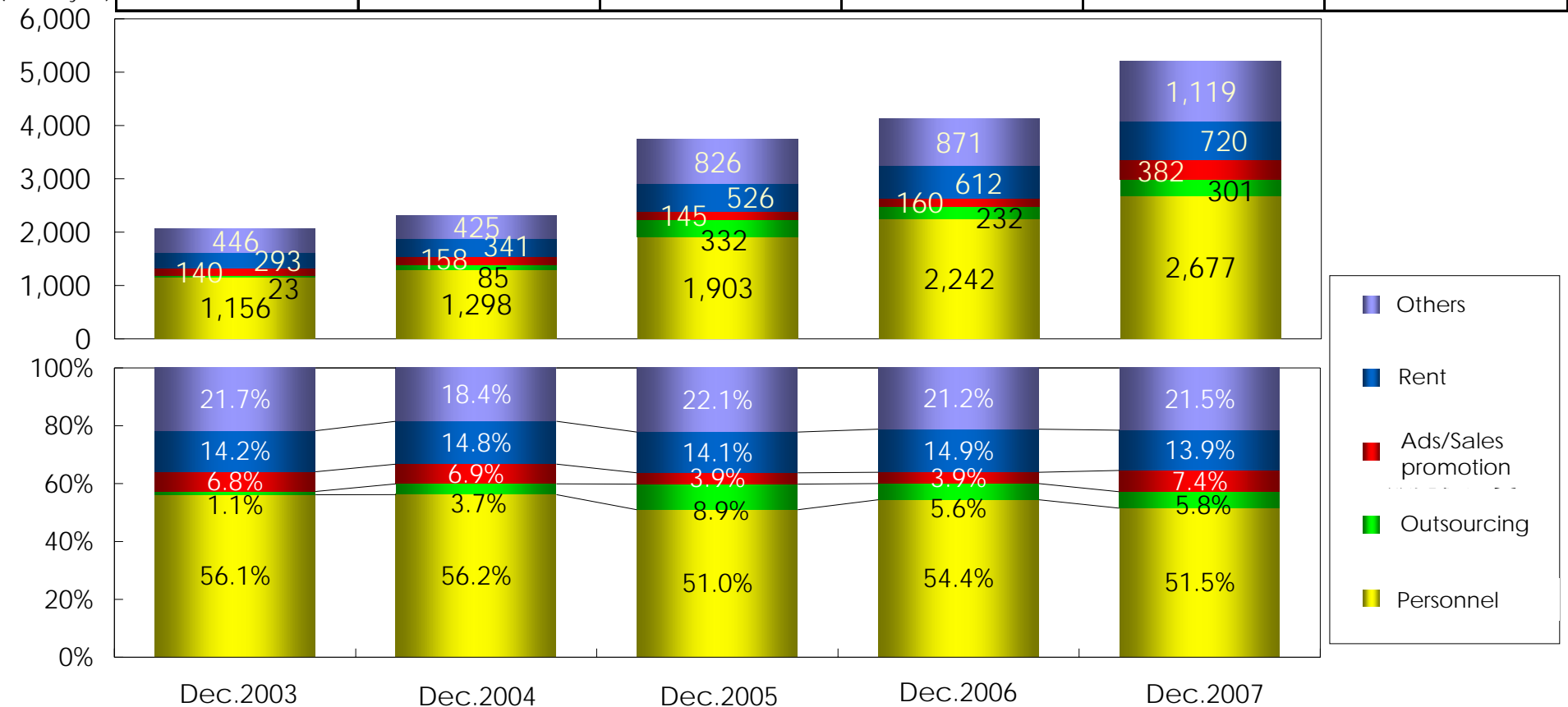
(million yen)



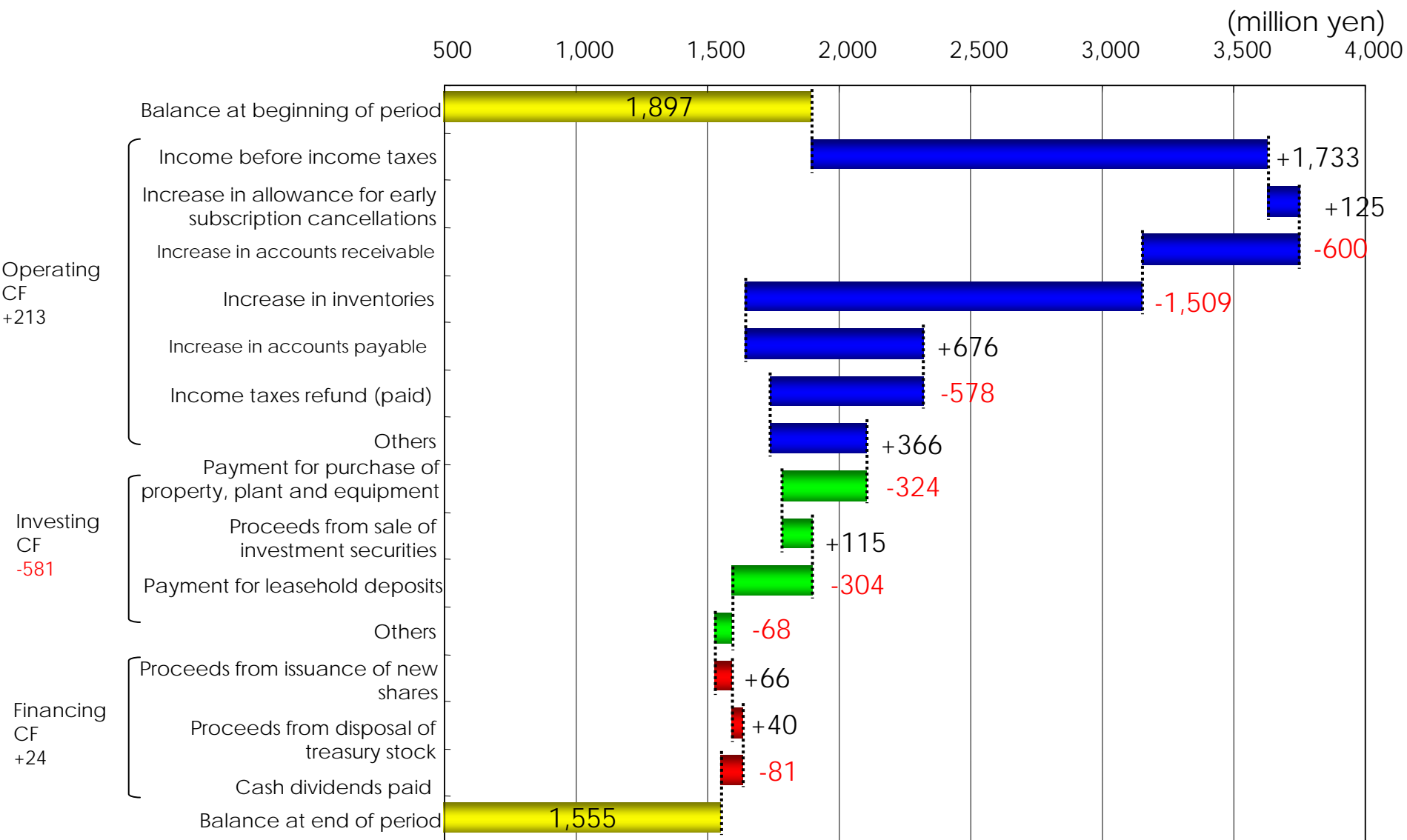
4. SG&A Expenses (Consolidated)

Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Accounting Period
2,705	2,940	4,684	5,196	6,886	Gross profit (million yen)
1,156	1,298	1,903	2,242	2,677	Personnel (million yen)
2,058	2,309	3,735	4,120	5,202	SG&A (million yen)
2.34	2.26	2.46	2.32	2.57	Gross profit/Personnel
1.31	1.27	1.25	1.26	1.32	Gross profit/SG&A

(million yen)



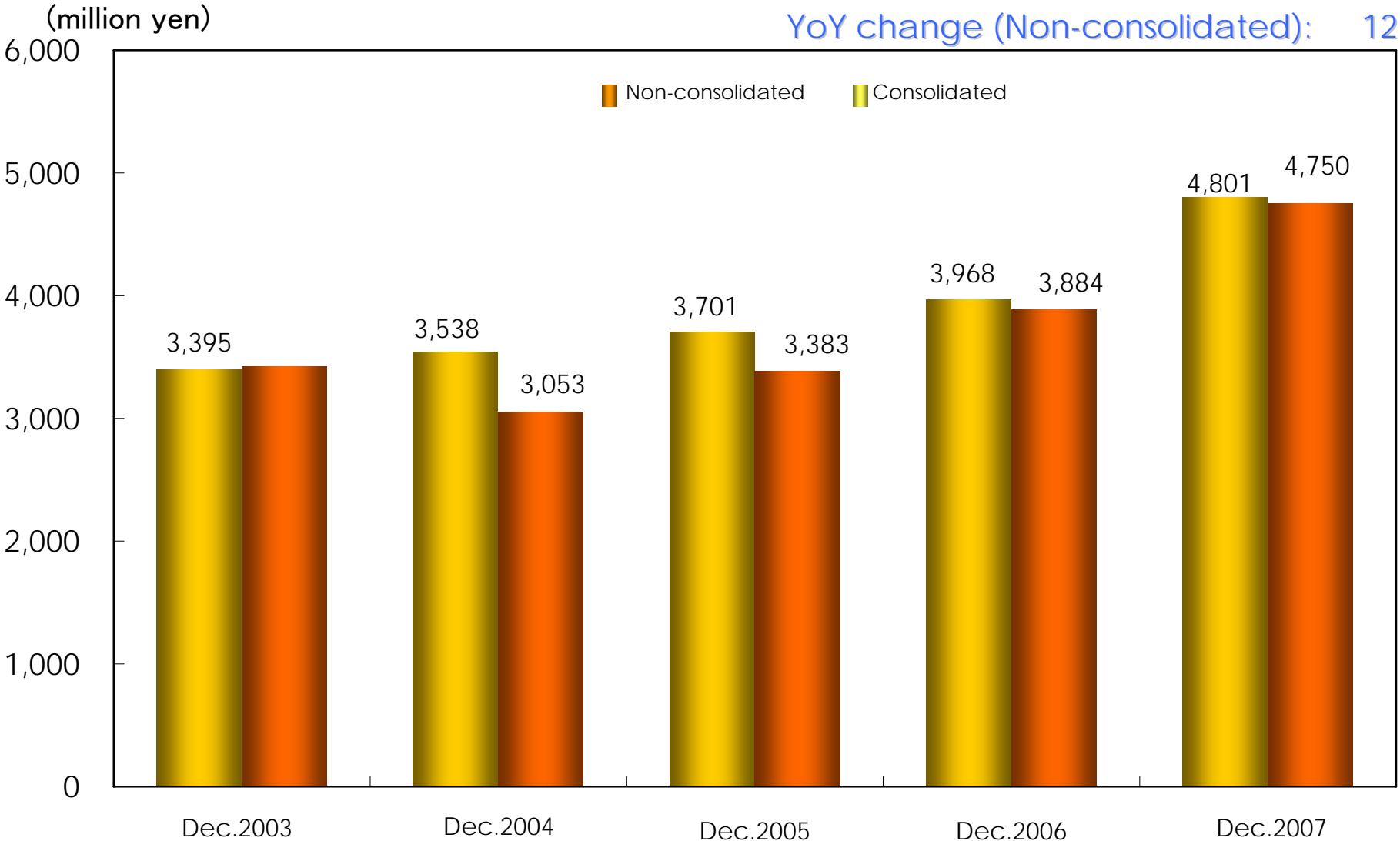
5. Composition of Cash Flows (Consolidated)



6. Net Assets (Consolidated, Non-consolidated)

YoY change (Consolidated): 122.3%

YoY change (Non-consolidated): 121.0%



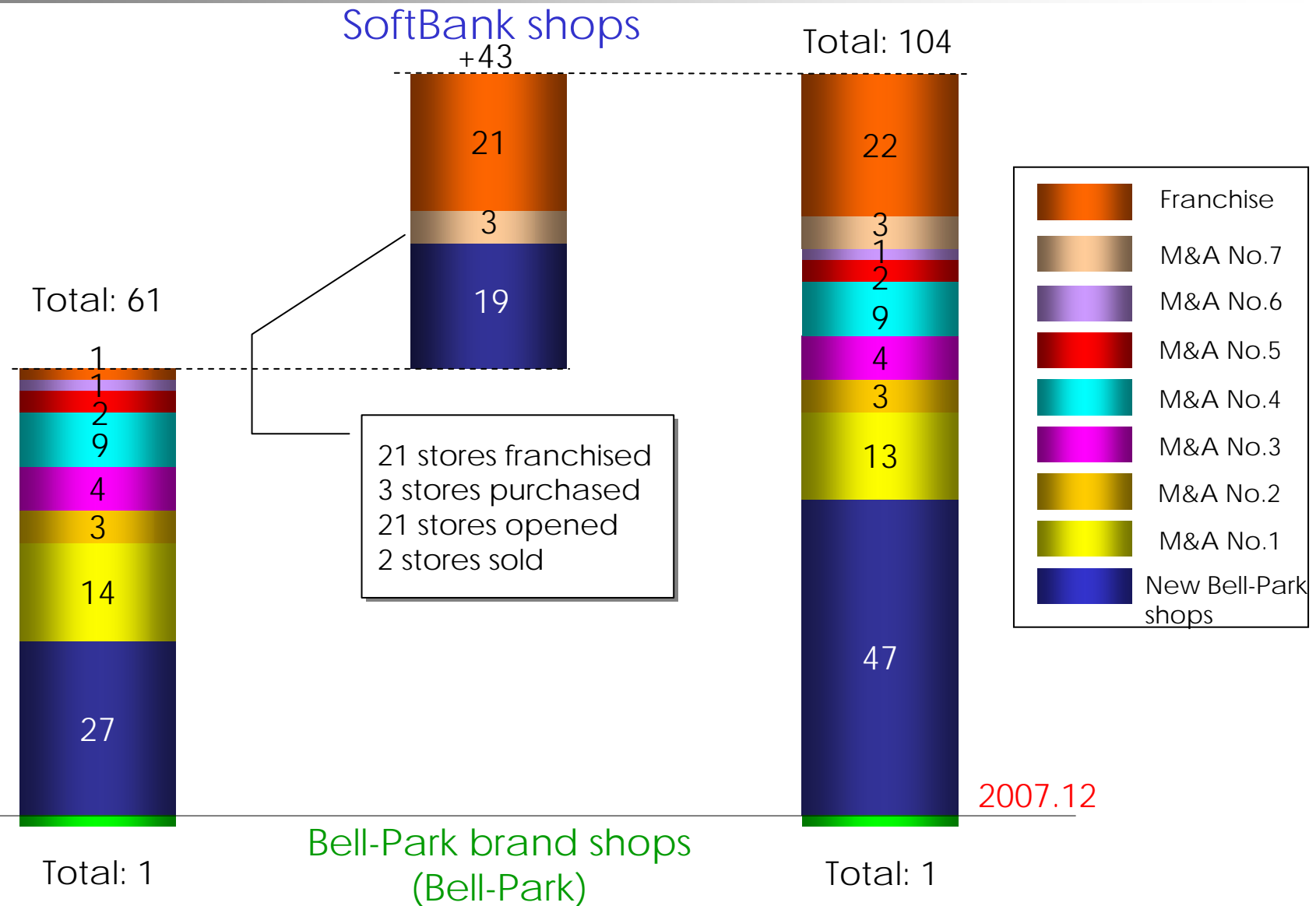
7. Financial Indicators (Consolidated)

		2003	2004	2005	2006	2007
Profitability	Ratio of ordinary income to total assets	12.6%	10.4%	13.9%	14.9%	18.7%
	Return on equity	19.4%	-7.2%	15.0%	15.3%	19.5%
	Cash flow margin	2.5%	5.7%	-	2.3%	0.7%
	Gross profit margin	19.3%	17.9%	19.2%	21.3%	21.9%
	Ratio of ordinary income to net sales	4.6%	3.9%	3.9%	4.5%	5.4%
Efficiency	Capital turnover (times/year)	2.73	2.68	3.57	3.34	3.49
	Receivables turnover period (days)	38.8	40.7	34.5	40.2	37.9
	Inventory turnover period (days)	15.2	20.6	17.6	20.1	24.9
Safety	Equity ratio	62.6%	44.7%	49.7%	49.9%	46.4%
	Current ratio	236.5%	156.5%	165.8%	167.7%	155.4%

IV Supplementary Material

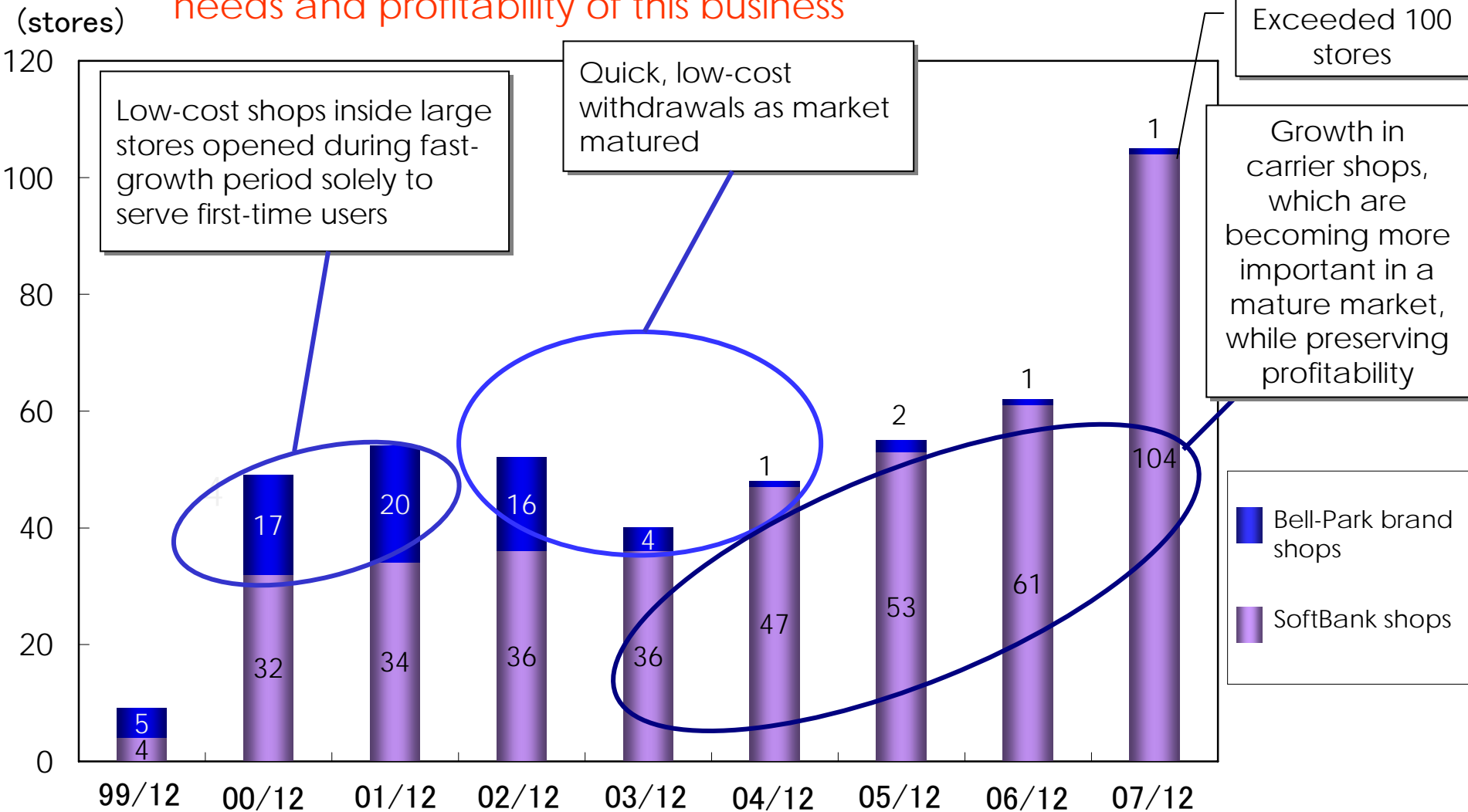
IV-2 2007 Operating Summaries (Mobile Phone Sales Business)

1. Changes in the Number of Stores



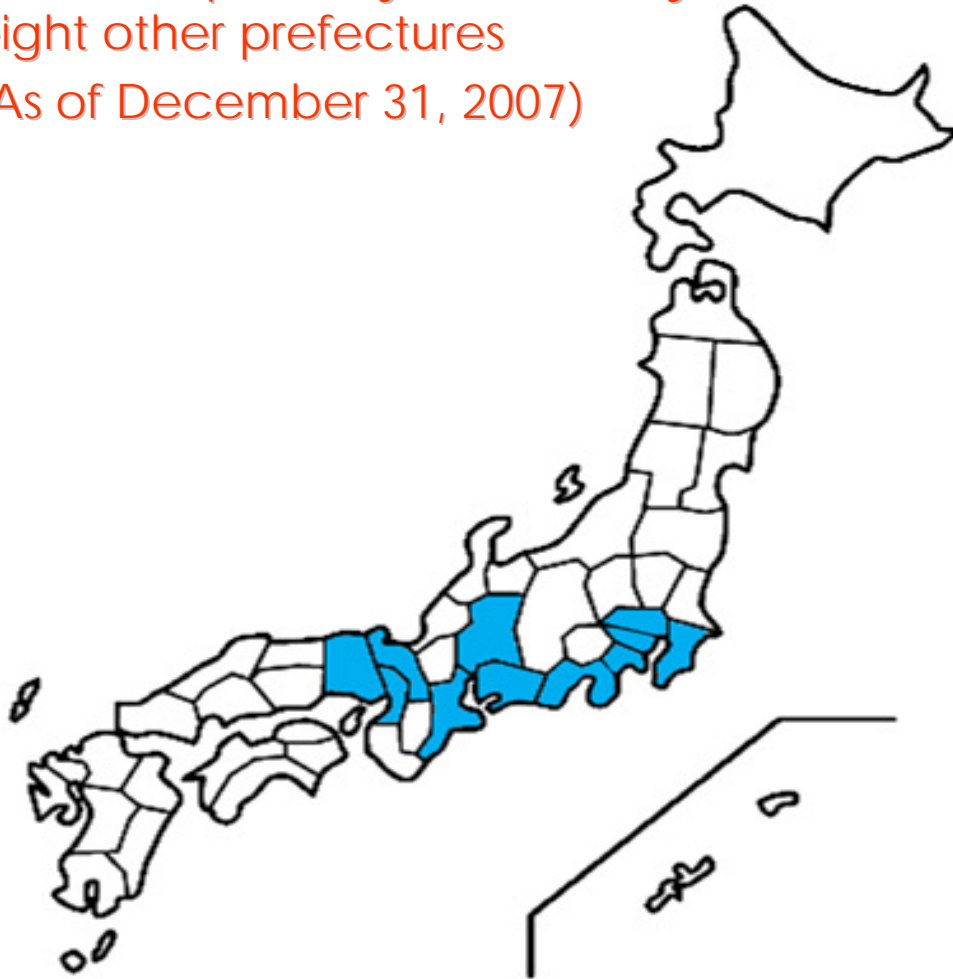
2. Number of Stores

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



3. Store Network

104 SoftBank shops, one Bell-Park's own brand shop in Tokyo, Osaka, Kyoto and eight other prefectures
(As of December 31, 2007)



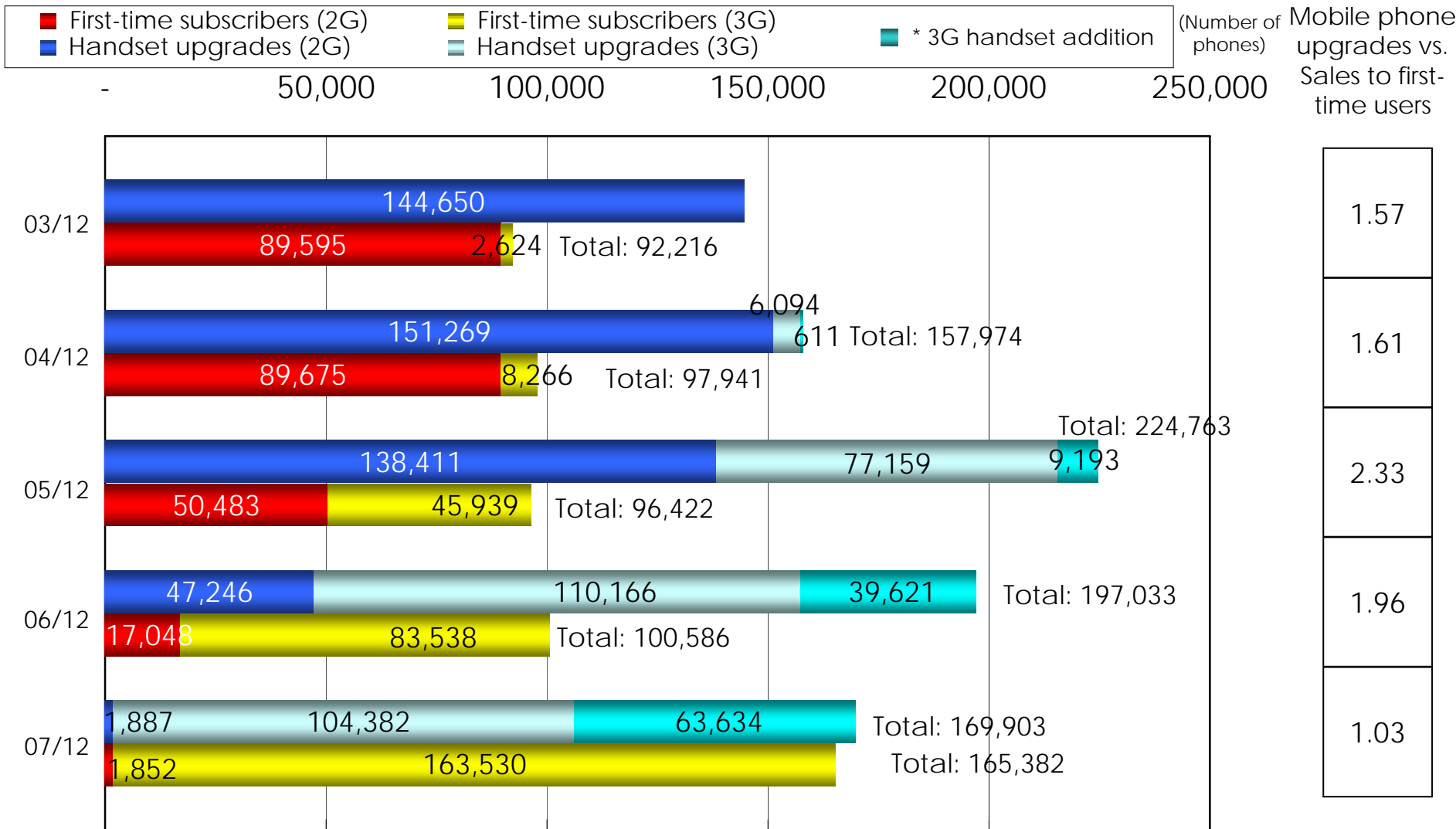
Kanto Area Stores

No. of stores	SoftBank shop		Bell-Park brand shop
	Direct	Franchise	
Tokyo	39	1	0
Kanagawa	6	0	0
Chiba	10	0	0
Saitama	13	0	0
Subtotal	68	1	0

Tokai/Kansai Area Stores

No. of stores	SoftBank shop		Bell-Park brand shop
	Direct	Franchise	
Aichi	7	0	1
Shizuoka	1	0	0
Gifu	1	0	0
Mie	4	0	0
Osaka	1	5	0
Kyoto	0	3	0
Hyogo	0	13	0
Subtotal	14	21	1

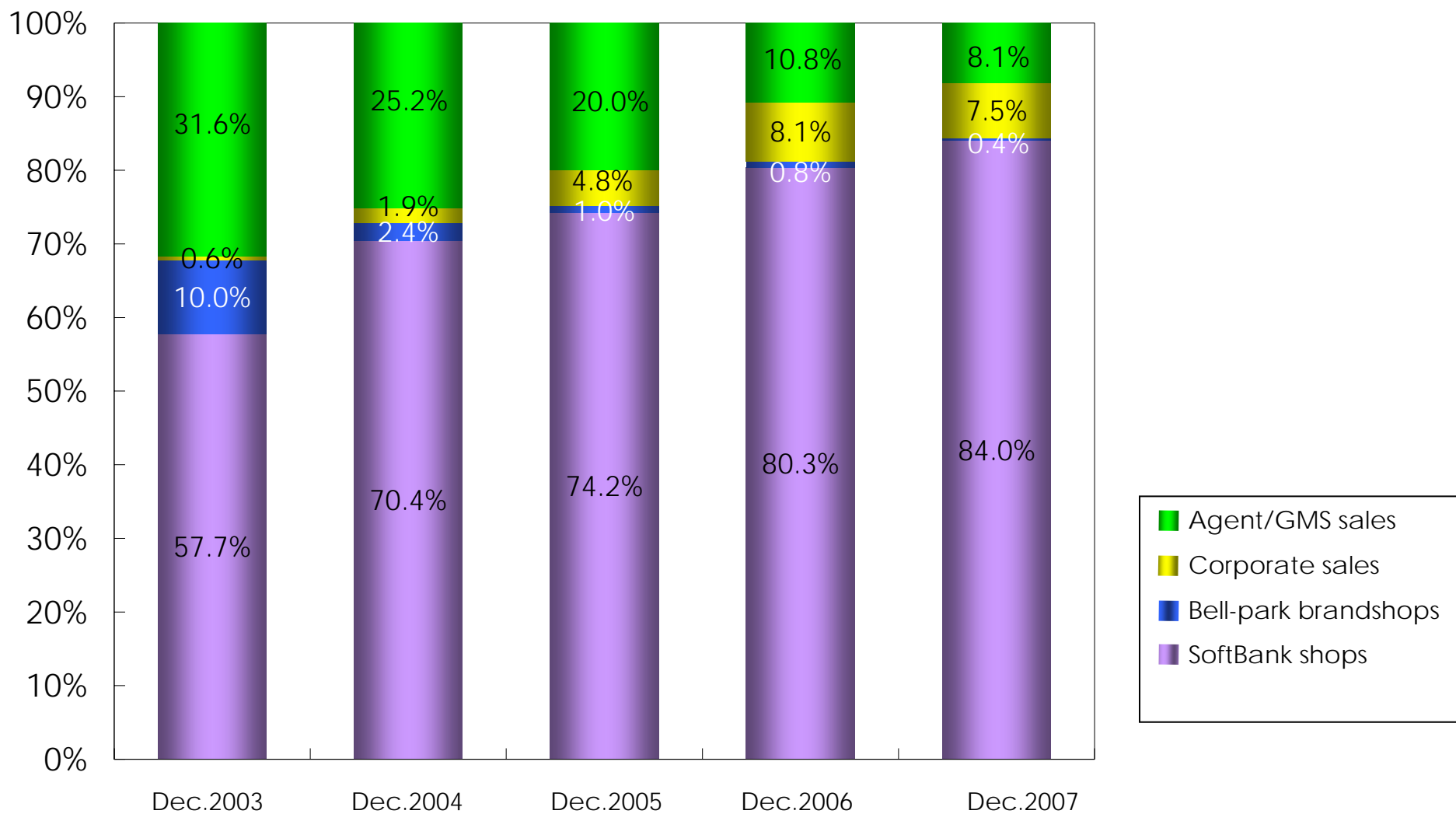
4. Number of Mobile Phones Sold



*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



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