

Bell-Park

Results of Operations for the First Half of 2011

(Six months ended June 30, 2011)

August 1, 2011

Bell-Park Co., Ltd.



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

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I. Profile of Bell-Park

Profile of Bell-Park

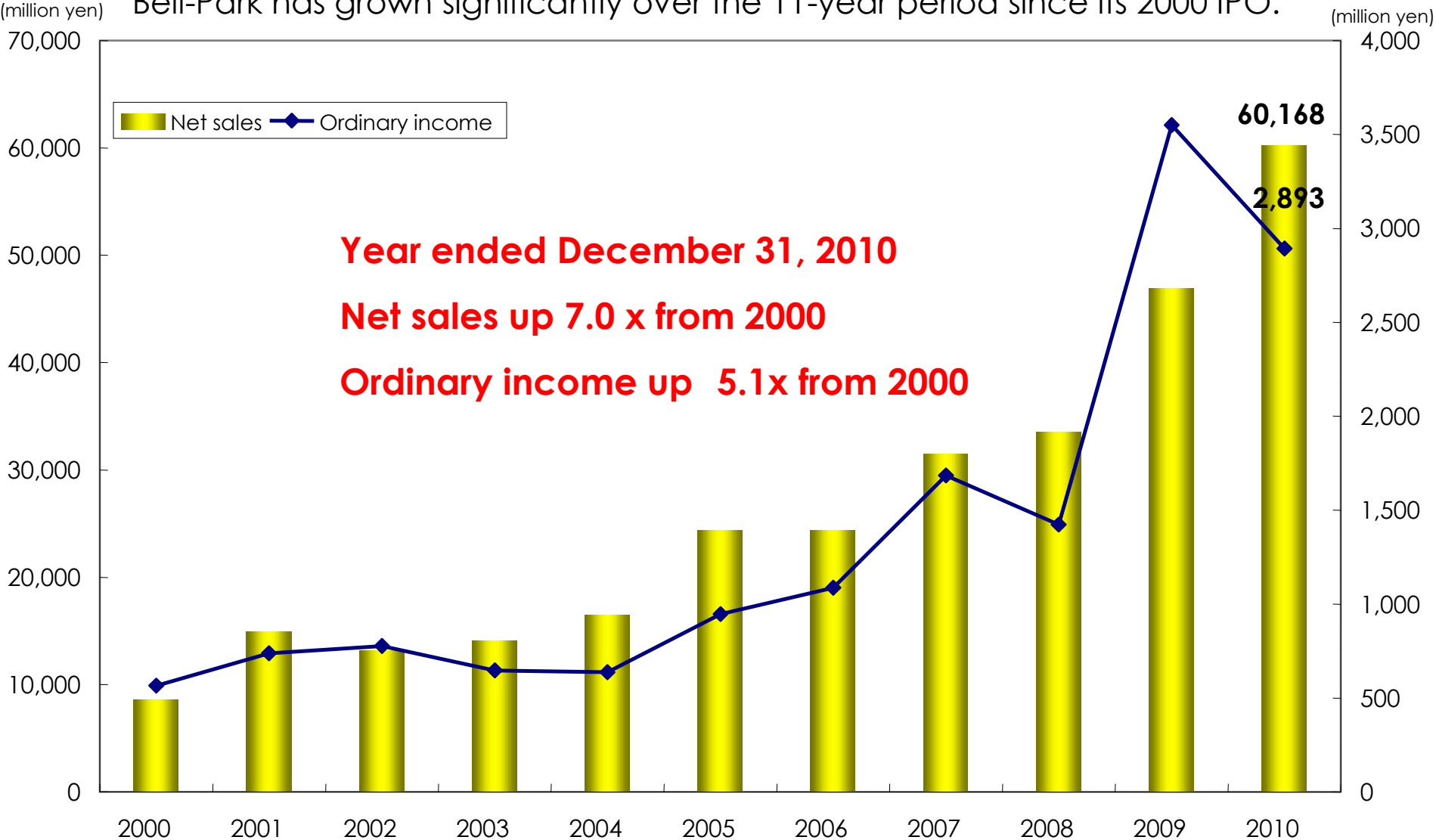
Name:	Bell-Park Co., Ltd.
Business:	Mobile phone sales (exclusively for SOFTBANK MOBILE)
Founded:	February 2, 1993 19 th Fiscal year
Headquarters:	KDX-Hirakawa-cho Building, 1-4-12 Hirakawa-cho, Chiyoda-ku, Tokyo
Capital:	*¥ 1,129 million
Stock listing:	JASDAQ (Stock code:9441) since May 25, 2000 11 th IPO anniversary
Market cap:	¥ 7,778 million (as of July 29, 2011)
Employees:	*1,044 (full time: 660; temporary: 384) Average age: 28.4 (as of the end of December)
Number of shops:	*182 *As of the end of July 2011
Shop network:	http://www.bellpark.co.jp/shop/

< Investment Indices >

Stock price:	¥116,000 (closing price on July 29, 2011)
Year high:	¥141,500 (February 9, 2011)
Year low:	¥79,300 (March 15, 2011)
10 years high:	¥257,000 (June 26, 2007)
Minimum investment unit:	1 share
2011 forecasts:	PER: 5.56 (closing price on July 29, 2011)
2010 results:	PER: 4.68, PBR: 0.80 (closing price on July 29, 2011)

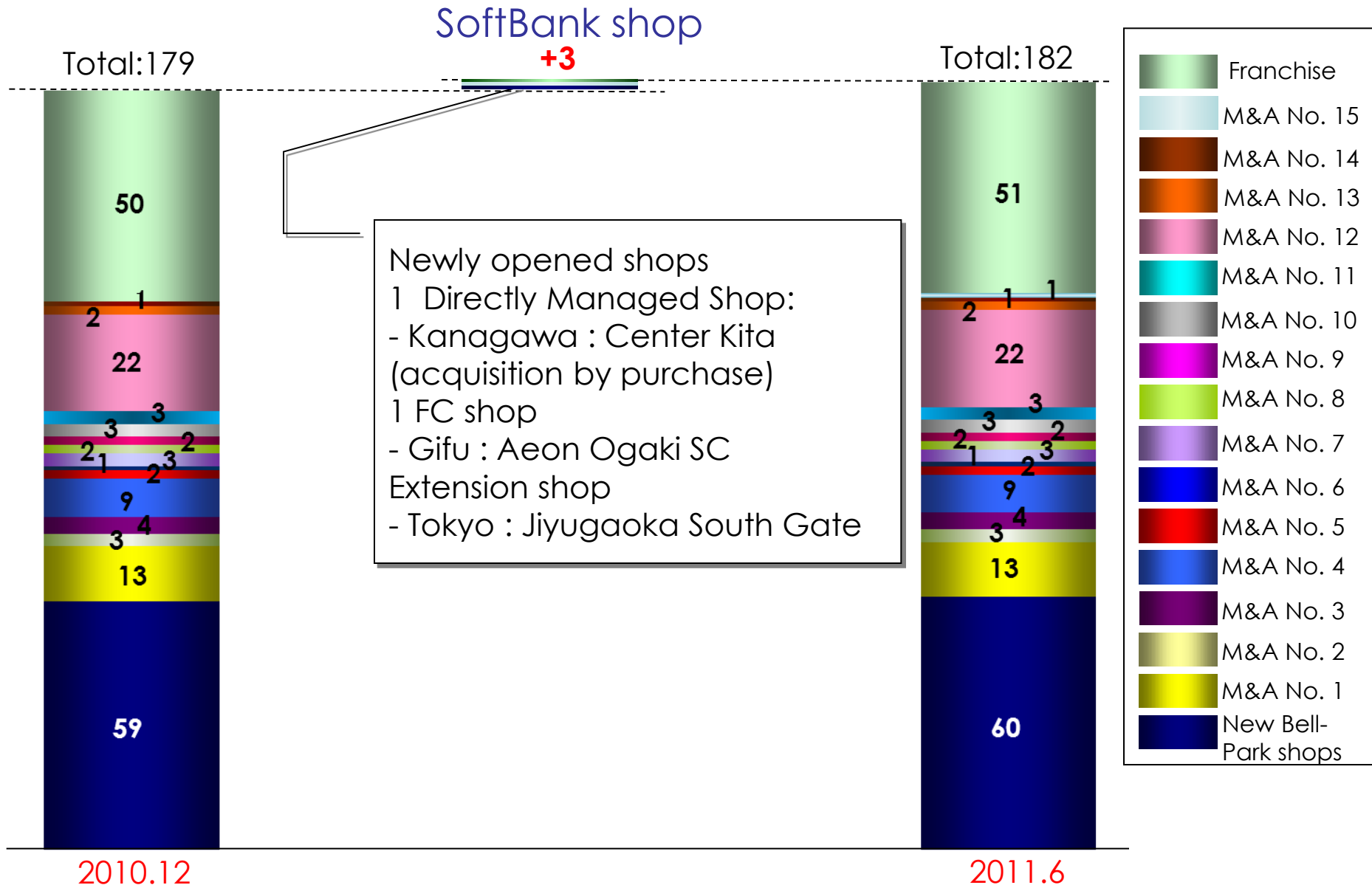
1. A Record of Consistent Growth

Bell-Park has grown significantly over the 11-year period since its 2000 IPO.



* Non-consolidated basis since 2009

2. Used **M&A Strategy** to Grow! 15 Transactions



2010.12

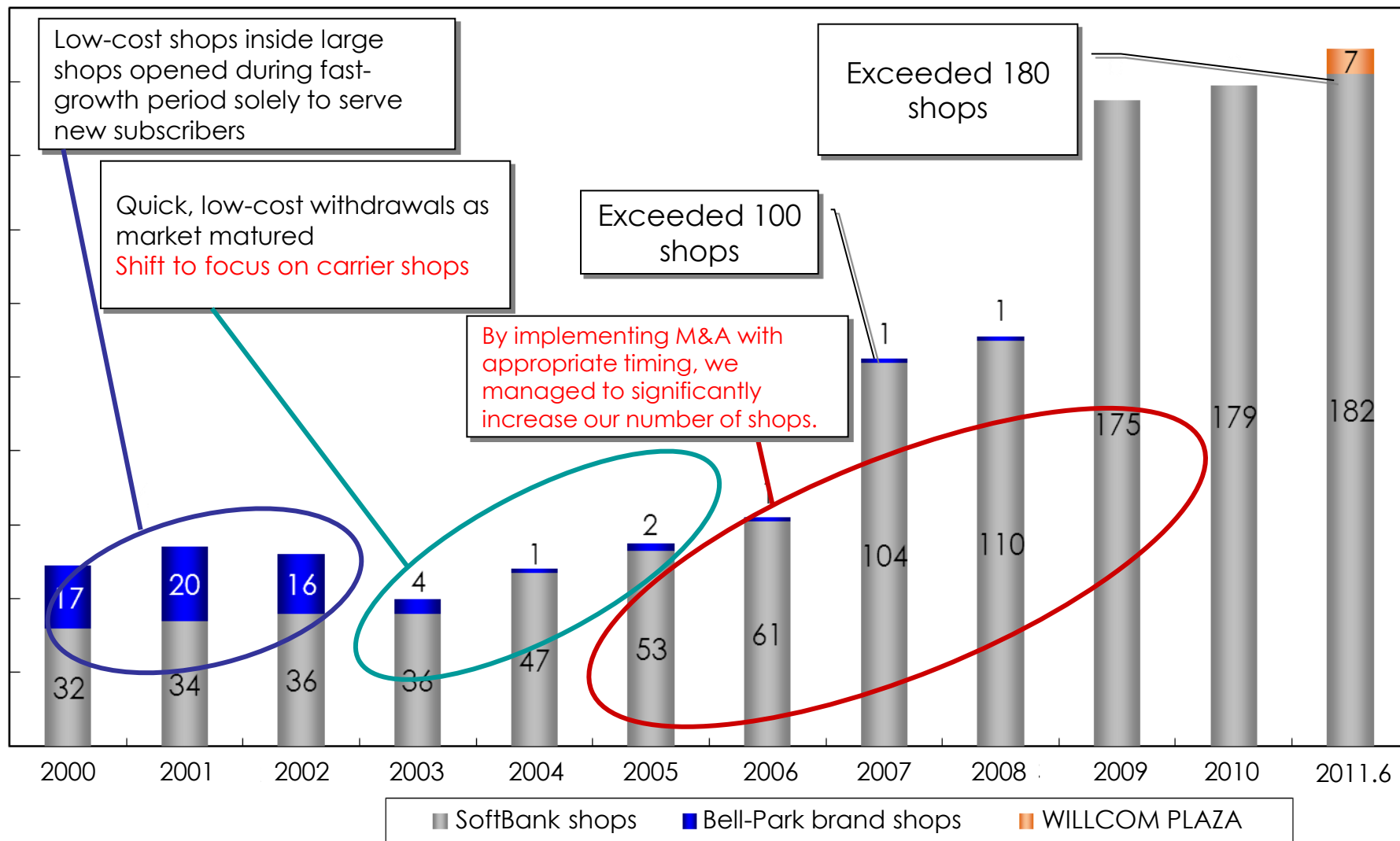
2011.6

3. Number of Shops

Sales and earnings have grown along with the number of shops.

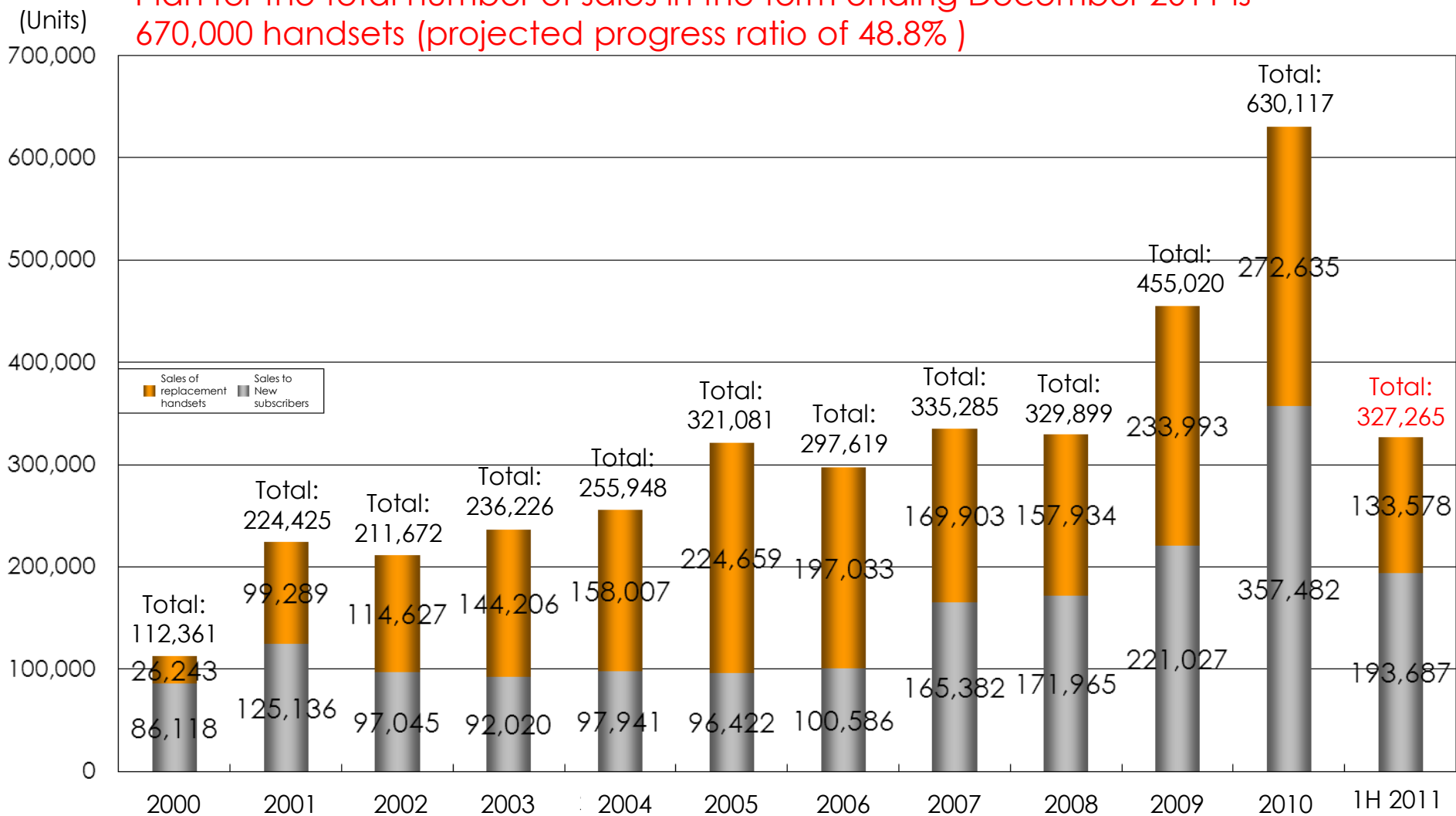
In addition, although 2 shops located in Sendai were temporarily closed due to the Eastern Japan Earthquake, both have resumed business.

(Number of shops)
200



4. Number of Mobile Phones Sold

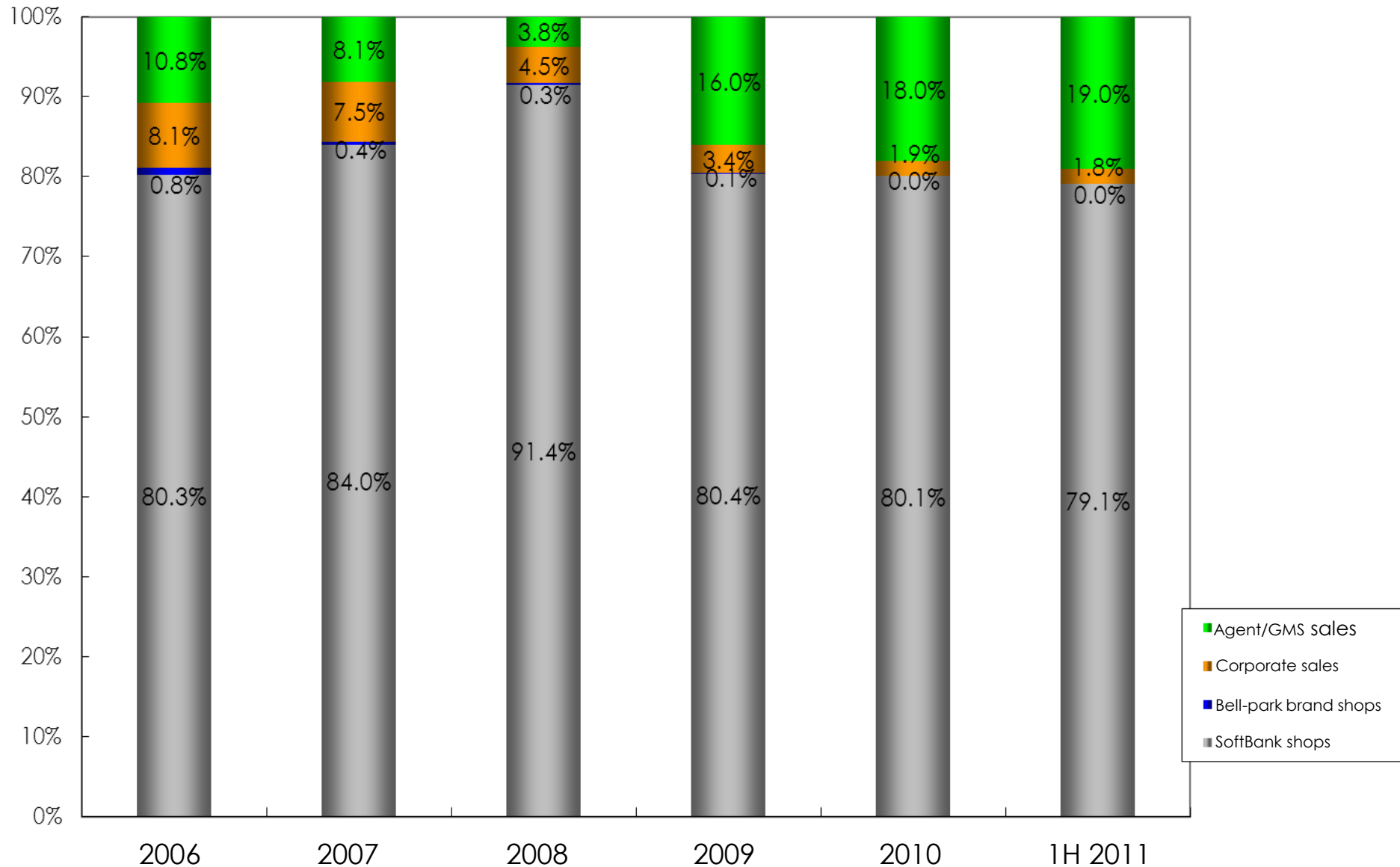
Plan for the total number of sales in the term ending December 2011 is 670,000 handsets (projected progress ratio of 48.8%)



Sales of replacement handsets vs. Sales to new subscribers

0.30	0.79	1.18	1.57	1.61	2.33	1.96	1.03	0.92	1.06	0.76	0.69
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5. Changes in Composition of New-subscriber Sales Channels



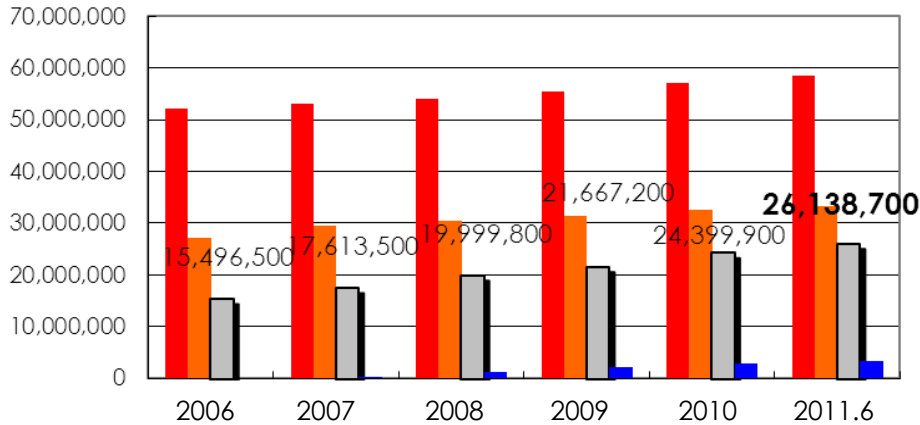
* Figures for Franchise shops are included in "SoftBank shops" from 2006 to 2008, and "Agent sales" in 2009

II. First Half of 2011 Financial Highlights

1H 2011 Financial Environment Highlights

SOFTBANK MOBILE that we handle has greatly increased its market share since entering the mobile communications market in 2006.

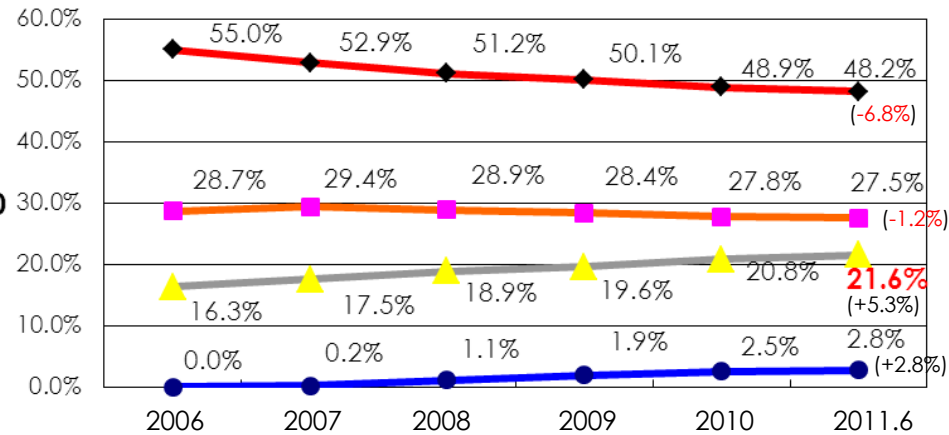
Cumulative Subscriptions at Carriers



Source: Prepared by Bell-Park, based on TCA (Telecommunications Carriers Association) data

■ DoCoMo ■ KDDI (au & TU-KA)
■ E-Mobile ■ SoftBank

Share of Cumulative Subscriptions at Carriers



* Ratio on parentheses - comparison to 2006 levels

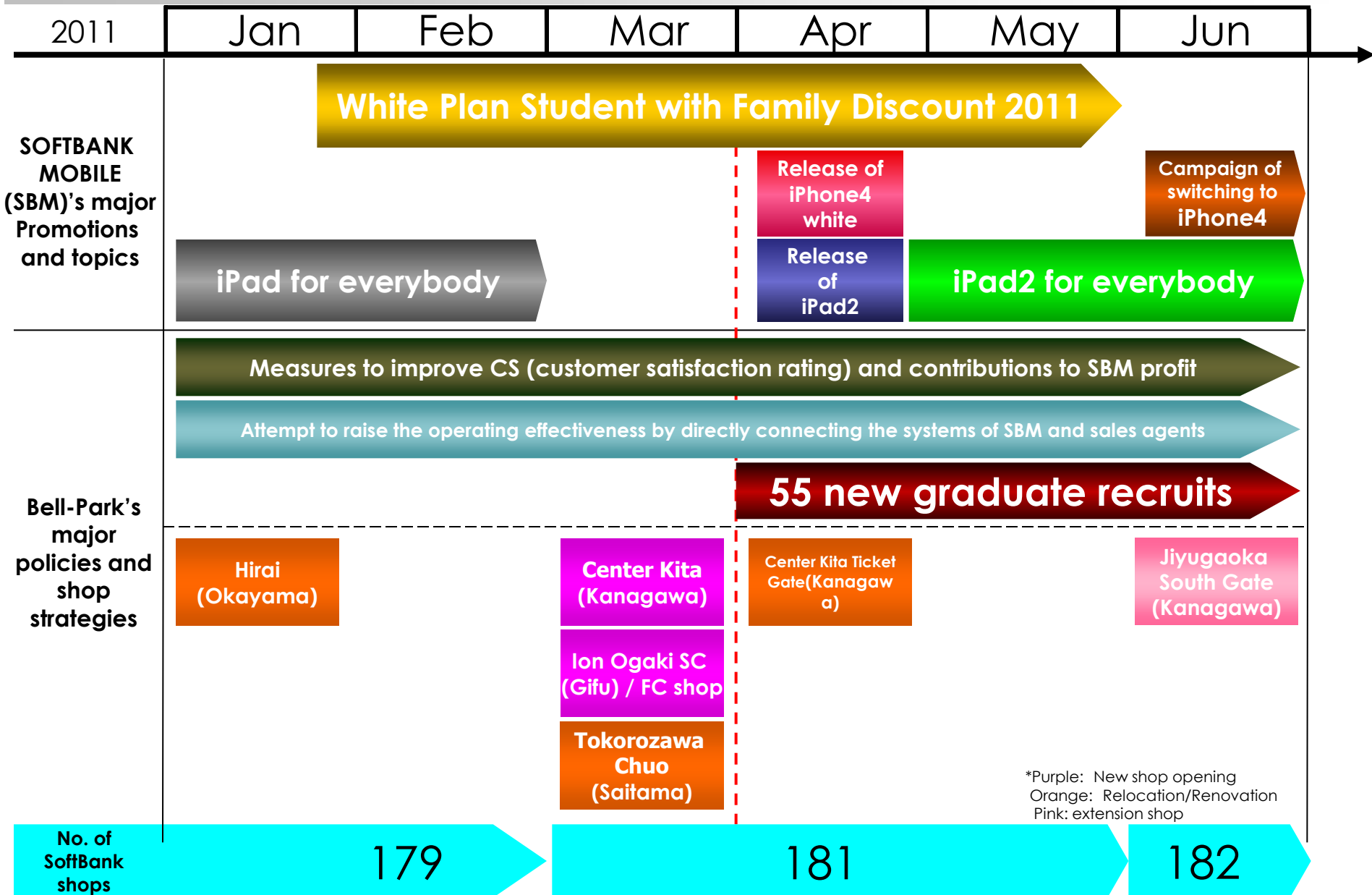
Mobile Communications Industry

In the end of the second quarter, the total number of lines for the four communications carriers exceeded 121 millions, while the net increase in subscribers in the total period of the second quarter (January - June, 2011) reached about 4,180,000 lines, thus exceeding by 35.1% the number of 3,090,000 lines it was during the corresponding period of last year.

SOFTBANK MOBILE

In the total period of the second quarter the net increase in subscribers of SOFTBANK MOBILE reached 1,730,000 lines, thus exceeding by 91.9% the number of 900,000 lines it was during the corresponding period of last year. iPhones, iPads, data cards, etc. developed favorably ranking top in the monthly net increase in subscribers for 15 consecutive months from April, 2010.

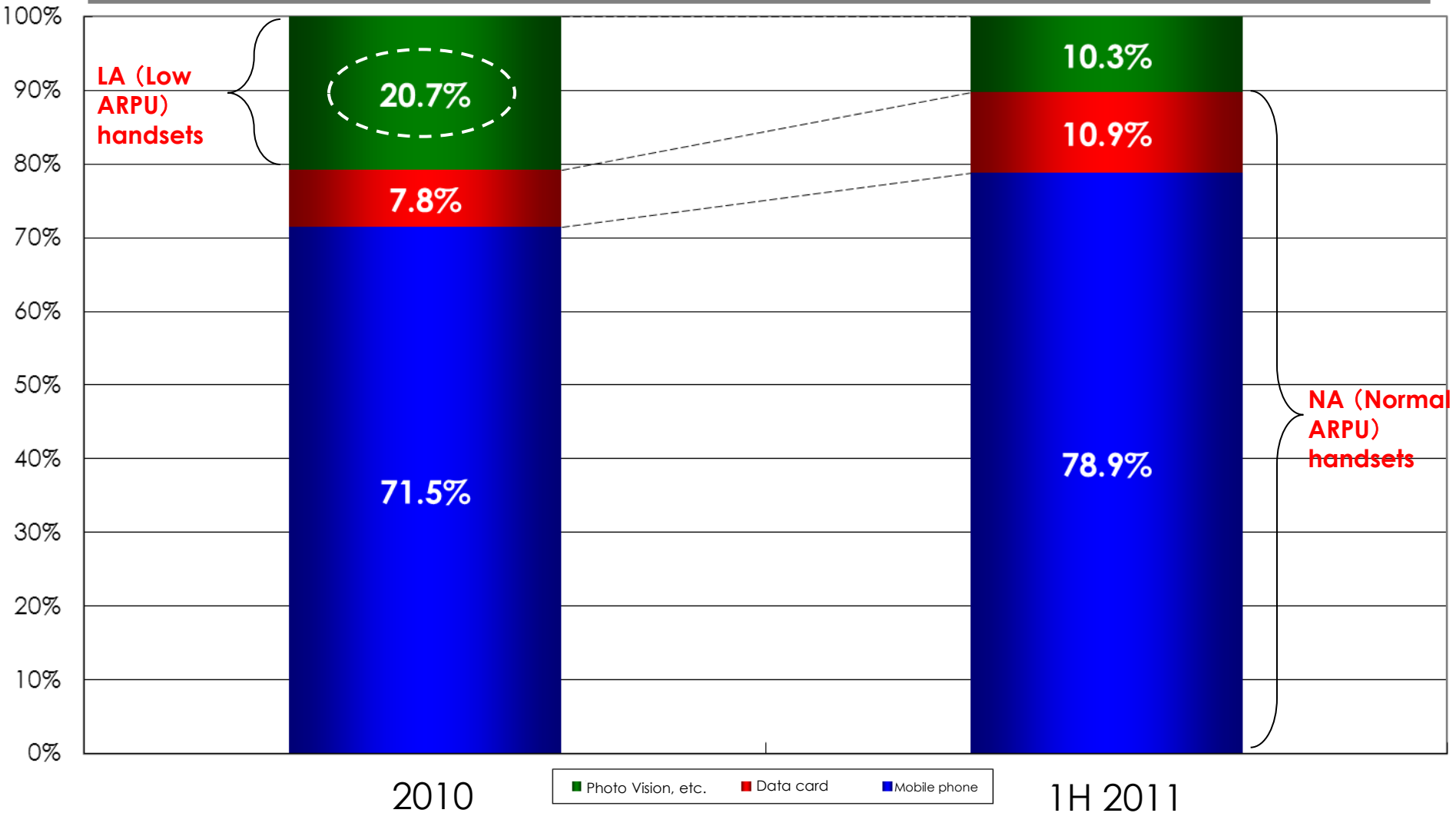
1H 2011 Financial Environment Highlights



Number of New-subscriber Sales Product Configuration

Contribution to the profits of SOFTBANK MOBILE

~ Switch from LA (Low ARPU) handsets to NA (Normal ARPU) handsets ~



*ARPU (Average Revenue Per User): monthly revenue per 1 subscriber

1H 2011 Financial Highlights – Statements of Income

(million yen/%)

	Plan of 1H 2011	Results of 1H 2011	Achievement Rate	Initial plan of 2011	Corrected plan of 2011	Difference	Change
Net sales	33,000	32,442	98.3	72,000	68,000	-4,000	-5.6
Operating income	1,350	1,243	92.1	3,300	2,650	-650	-19.7
Ordinary income	1,350	1,217	90.2	3,250	2,600	-650	-20.0
Net income (quarterly/full-year)	750	645	86.1	1,800	1,400	-400	-22.2

- The primary factors behind the difference between the estimated company projection for the first half and the actual results

Although net sales have increased, **commission term was severe and the profits did not.**

Although the progress was made for the most part as planned, the sales competition intensified, and **there was a substantial increase in the sales promotion expenses.**

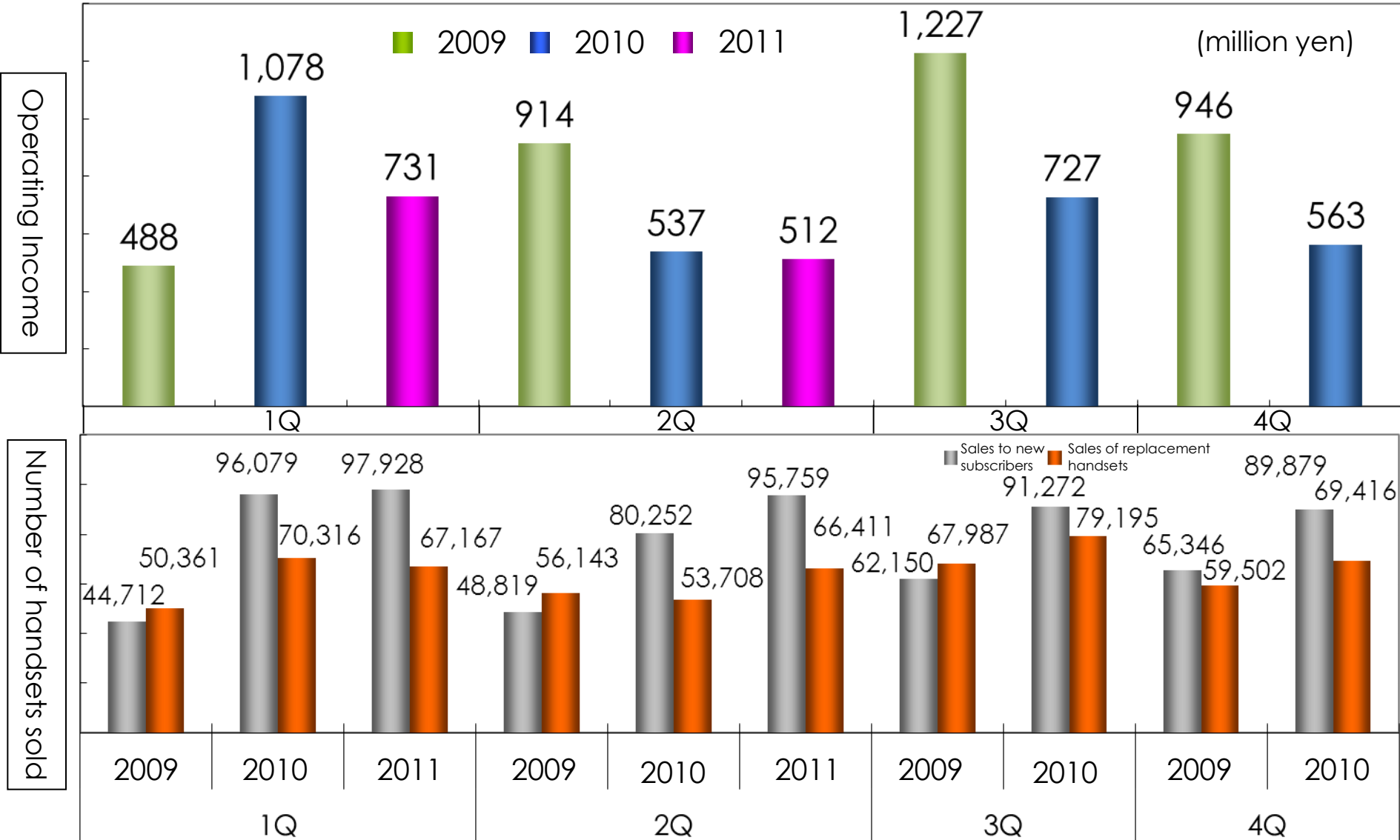
Summary of 1H 2011 Financial Results (compare to 1H 2010)

(million yen, %)

	1H 2010		1H 2011		YoY change		Remarks
	Amount	Comp.	Amount	Comp.	Amount	%	
Net sales	28,638	100.0	32,442	100.0	+3,804	+13.3	1) The number of units sold increased. New-subscribers: +17,356 (2010: 176,331), Replacement handsets: +9,554 (2010: 124,024) 2) Stock commissions 3) The accessories sales increased
Gross profit	5,390	18.8	5,626	17.3	+236	+4.4	1) The number of sales of new handsets due to new - subscribers and Replacement handsets increased 2) Following a decrease in certain commissions, although the unit price decreased, renewal commissions and sales of accessories compensate the decrease.
SG & A expenses	3,774	13.2	4,383	13.5	+608	+16.1	Personnel expenses +258, Advertising and promotion +259, Rent, etc.+106, Equipment , etc. +7 The respective reasons are as follows. 55 new graduate recruits, the additional of new shops (average 5 shops during the term), the increase in the sales promotion expenses, etc. due to the intensification of sales competition in the area of smartphones.
Operating income	1,615	5.6	1,243	3.8	-372	-23.0	Same as above reasons
Ordinary income	1,615	5.6	1,217	3.8	-397	-24.6	Same as above reasons
Extraordinary income	56	0.2	0	0.0	-56	-100.0	Gain on sale of investments in affiliates -52
Extraordinary loss	29	0.1	66	0.2	+37	+126.2	Effect of adoption of the accounting standard for asset retirement obligations +46, Retirement benefit expenses -12
Income before income taxes	1,641	5.7	1,151	3.5	-490	-29.9	Same as above reasons
Net income	936	3.3	645	2.0	-290	-31.1	Same as above reasons

Quarterly Sales and Operating Income of Recent Three Years

* Non-consolidated basis since 2009



1H 2011 Financial Highlights – Balance Sheet

Net assets passed the 10 billion yen mark.

(million, %)

	Dec. 31, 2010	Jun. 30, 2011	Increase/ (decrease)	Comp.	Remarks
Total assets	18,318	19,537	+1,219	100.0	Cash and deposits +932, Inventories +844, Trade account receivable -711
Liabilities	8,575	9,391	+815	48.1 End of previous term 46.8%	Trade account payable +734, Corporate taxes payable +93
Net assets	9,742	10,146	+404	51.9 End of previous term 53.2%	The retained earnings of the net income (for the total period of the second quarter) +645, Profit earning surplus from year-end dividend in the settlement of accounts for previous business year -241

III. Outlook for the Operating Environment

Outlook for the Operating Environment (1/3)

The mobile phone market environment

As the number of terminal shipments made within Japan remains at about 33.27million, a new category in the form of smartphones, as well as feature phones (conventional-type terminals) and smart pads, has been created and terminals produced primarily by overseas manufacturers are now rapidly spreading. The proportion of these new categories is estimated to increase year by year in the future. We estimate the number of sales of smartphones to be about 7 to 8 million units of Docomo, about 3 to 4 million units of KDDI, and about 6 million units of SBM, about 16 to 18 million units in total. As the handsets capable of large-scale data communication increase in number, a task of growing importance for all carriers is to increase the speed as well as to accommodate the rapidly increasing data traffic.

Source : JEITA (Japan Electronics and Information Technology Industries Association) data
*Year for the estimated number of smartphones is financial year of the communications carriers.

As in smartphones and smart pads data communication plays the most important role, and since the OS is to be upgraded in the future, the appearance of a large variety of new terminals with high processing capability is to be expected in the future. In addition, following the start of such high-speed services as LTE it is expected that a "special procurement" boom of switchovers to such terminal will happen in the near future.

*LTE (Long Term Evolution) : the new telecommunications standard of the mobile phones called 3.9G

SOFTBANK MOBILE's efforts

SOFTBANK MOBILE is significantly expanding its net increases in subscribers based on mobile internet, and their total number of lines now exceeds **26 million**. If we add to that WILLCOM, which is also a member of the group, it passes even the **30 million lines** mark, so we can say that it is very much on the heels of the competing carriers. It is expected that with the net increase contribution of ULTRA SPEED and WILLCOM the management of the offensive of the Softbank Group will go on.

(Source: Telecommunication Carriers Association (TCA) data, and data from common carriers)

Outlook for the Operating Environment (2/3)

SoftBank shop sales agent's efforts

Although the number of SoftBank shops increased rapidly to 2,679 shops by July, 2008, due to competition among shops, the unclear economic environment, and change for the worse in the commission term, weeding out led to shops closures, etc., and by January, 2010 the number went down to 2,562 shops. Subsequently the number gradually increased centering on the shops in shopping malls, and has reached 2,609 (as of June, 2011).

Movement of SoftBank shops

(1) Business processes in shops in the mobile internet age

Due to advances in mobile internet, demand for smartphones is expected to increase yearly. It is thought that the data^{*1}ARPU of smartphones is high and it thus seems that it shall greatly improve profits for SOFTBANK MOBILE. However, compared with feature phone, smartphone is a product which requires explanation. Moreover, for SOFTBANK MOBILE that going ahead of the times with smartphones, etc., the off load from 3G line has become even more important in the light of rapidly increasing data communication, and for that reason we are currently tackling the task of creation of a substitute communication network^{*2}(Wi-Fi). In the light of substitute communication network, sales agents are required to popularize^{*3}FON routers, and promote subscriptions to White BB, etc. **For that reason, time spent waiting on customers at the shops is getting longer, and as we increasingly need to offer after service not only to our company's customers, but also users who purchased smartphones in other company increase, the load of operation in shops is more and more increasing.**

*1 ARPU (Average Revenue Per User): monthly revenue per 1 subscriber

*2 Wi-Fi=A type of wireless LAN

*3 FON is one of the world's largest Wi-Fi communities with members in about 150 countries.

Outlook for the Operating Environment (3/3)

Movement of SoftBank shops

(2) Higher roles called upon sales agents

Sales agents are expected to expand the scale of the shops, which serve as the hardware of the business, to get excellent staff, and establish new education system. In order to display various new product lines, it will be **essential to transfer to larger shops**. Also we believe that the staff is required to be able to give detailed explanation about new products including smartphones as well as products by other companies, and be able to conduct added value proposal type sales not for conventional device-sales models, but for smartphones, having fully understood the peculiarities and usability of the latter. For that reason, a reform and new ability to act is required from both sales agents and the understanding on sales sites.

(3) The importance of shopping channels is increasing along with customer growth

Since a carrier shop is the very vanguard of work with the customers, it is a **channel which greatly influences the brand image and CS (customer satisfaction)**. And as SOFTBANK MOBILE since about a year ago has been putting emphasis on the measure to increase CS, treating it as a goal of primary importance, the role of the shops is getting more and more important.

(4) Trends in sales commissions ~Shift to wide-ranging assessment~

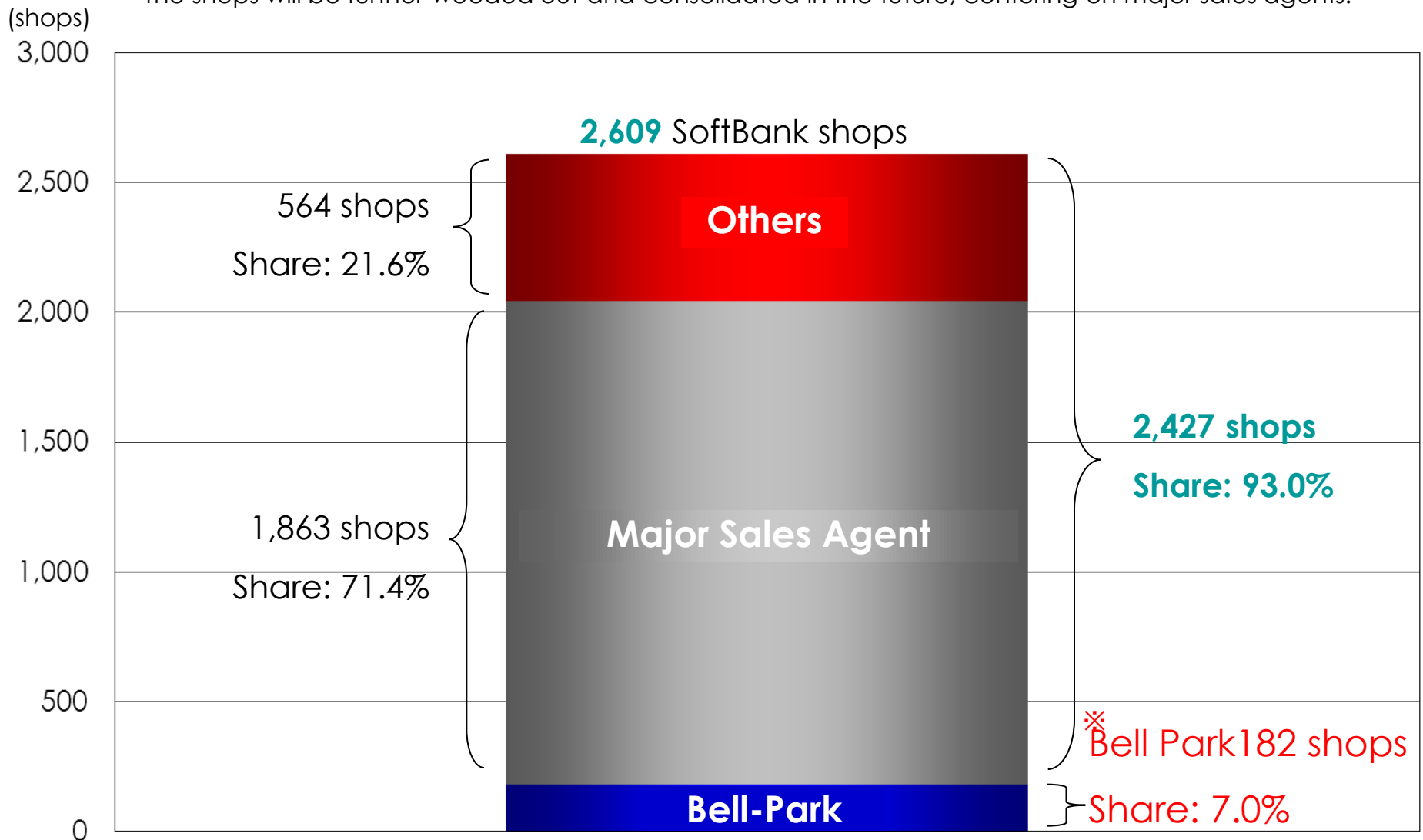
Sales agents are required to respond swiftly and flexibly to the sales policies that are constantly put forth by SOFTBANK MOBILE. The items for assessment incentive of the shops of SOFTBANK MOBILE have been increased by adding **improvement in CS and contribution to the creation of infrastructure (substitute communication network)** to the old items of quantity (number of new handsets sales) and quality (increasing ARPU, etc.), and sales agents are required to reinforce the collective strength of each shop.

We will achieve high reliability and evaluation of SOFTBANK MOBILE by **satisfying such requirements totally in all respects** and resultantly acquire high level of commissions.

IV. Medium-term Management Policies

Environment surrounding SoftBank Shops (1/2)

As a rule the company does not allow opening of new shops anywhere except retail power centers.
The shops will be further weeded out and consolidated in the future, centering on major sales agents.

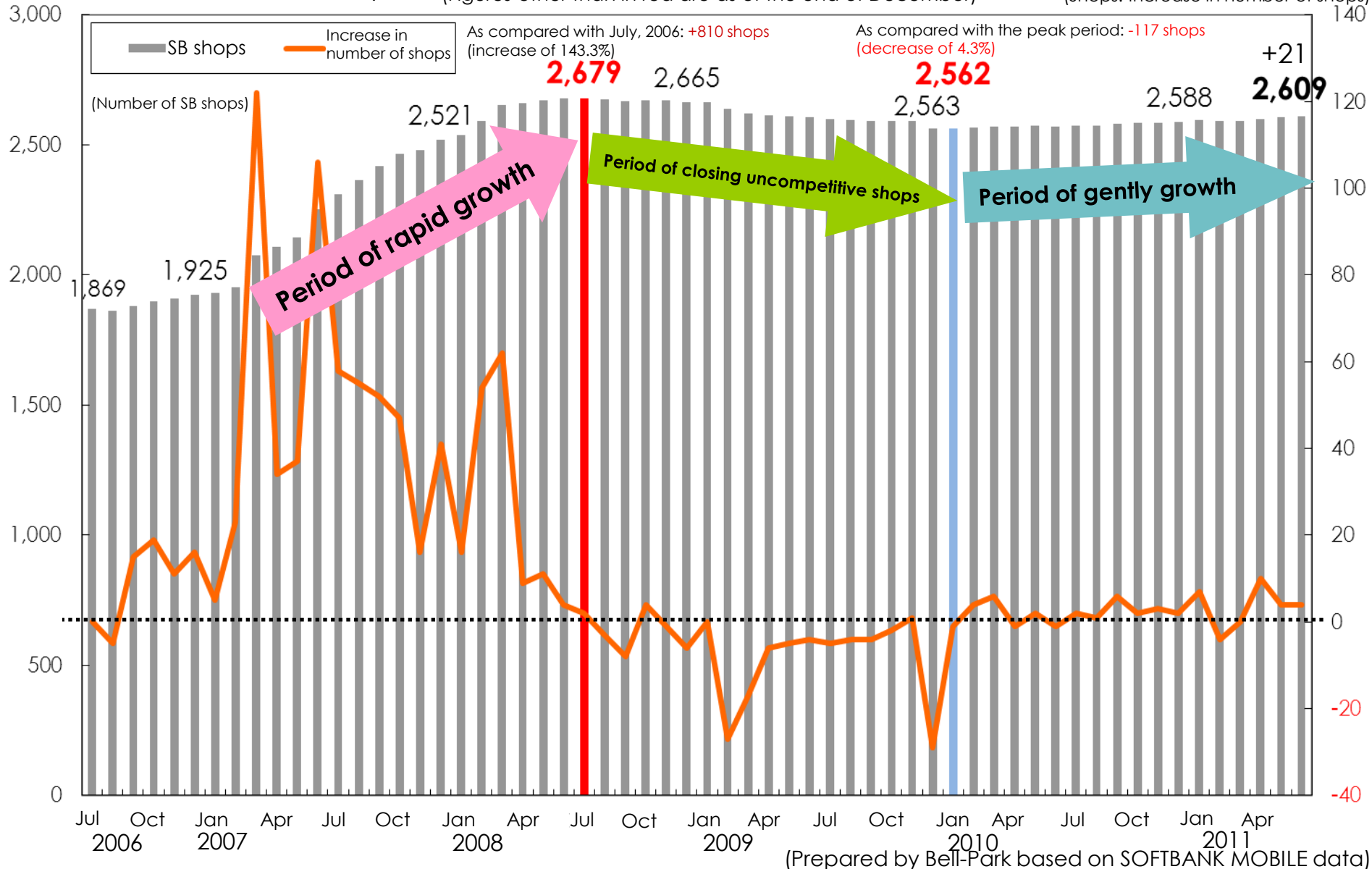


Environment surrounding SoftBank Shops (2/2)

Trends in SoftBank shops

(Figures other than in red are as of the end of December)

(Shops: Increase in number of shops)



Our Company's Shop Strategy

Bell-Park has 182 'SoftBank shops', which handle only the handsets of SOFTBANK MOBILE, in 21 prefectures. About 90% of these shops are in the Kanto, Tokai and Kansai areas. (as of the end of June 2011)

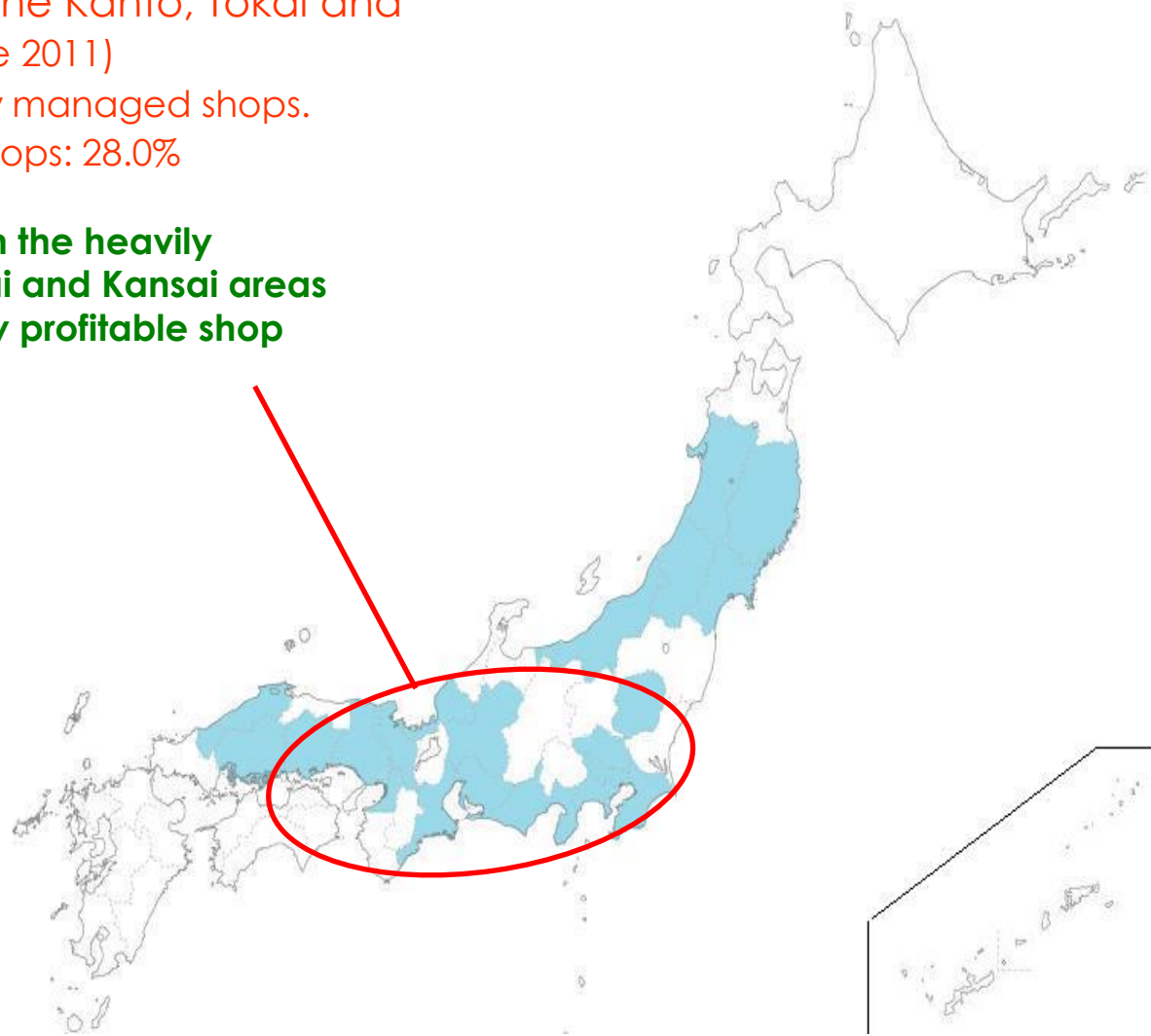
Shop operation is centered to directly managed shops.

Directly managed shops: 72.0%, FC shops: 28.0%

Concentrating shops in the heavily populated Kanto, Tokai and Kansai areas gives Bell-Park a highly profitable shop network.

Area Shops

Area	SoftBank shop		
	Direct	Franchise	Comp. (%)
Tohoku	3	10	7.3
Hokuriku	1	1	1.1
Kanto	93	3	52.5
Tokai	21	19	21.8
Kansai	10	17	15.1
Chugoku	3	1	2.2
Subtotal	131	51	100.0



Aims of Shop Strategy

Having taken into consideration the overall external environment surrounding our company, the commission term, the financial condition, etc., we have decided to expand our shop network so as to construct a high profitability sales network using the following four measures.

1. Transfer/Renovations

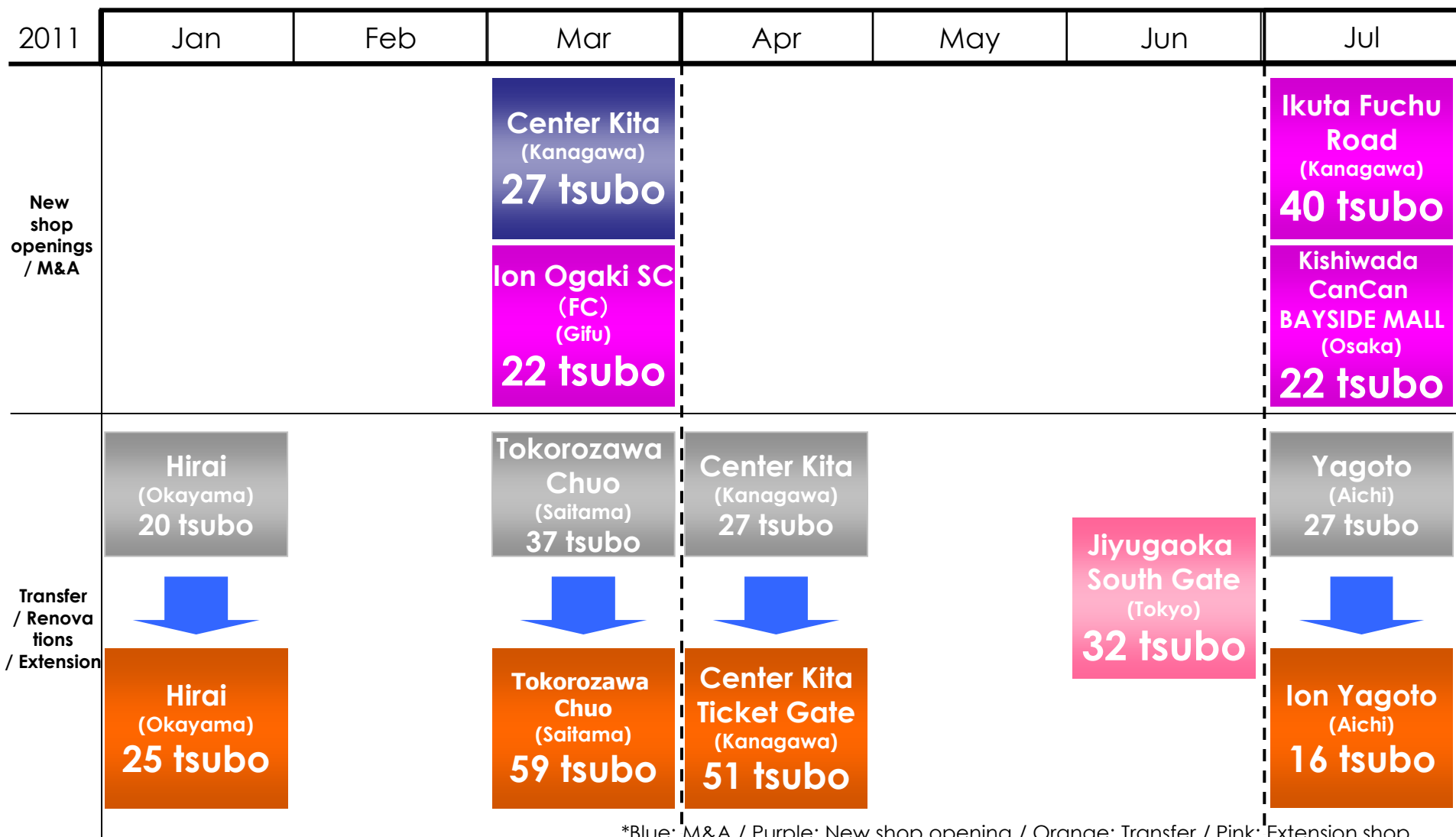
Expansion of shops/renewal of the fixtures →improvement in quality→**Improvement in CS**

2.Strengthening of earning capacity of franchised shops

3.M & A

4.Opening of new shops

Build a highly profitable shop network



*Blue: M&A / Purple: New shop opening / Orange: Transfer / Pink: Extension shop



Medium-term Management Policies (1/3)

□ Build a high profitable shop network

(1) Relocate and remodel shops

We think that relocation and remodel of shops are essential to increase number of customers leading to increase of total sales. We recognize that the severe economic environment that continuous deflation is anticipated is a favorable opportunity for relocation of shops. We will continuously promote the relocation of shops based on the increase of visitors by improving condition of site and cost. We will also plan to secure exhibition space requirement by diversifying terminals, shorten clients waiting time by increasing sales counters, and expansion of shops to improve the brand image of carrier shops.

⇒Because **expanding city-center shops is essential for improving SOFTBANK MOBILE's brand image**, we will continue to perform transfer and renovations focusing on city-center shops.

(2) Reinforcing the sales promotion force of the franchised shops, and strengthening of the earning-capacity of the company managing the franchise

For franchised shops, we shared goals and the know-how that Bell-Park possesses, as well as information from SOFTBANK MOBILE. As a result, the evaluation by SOFTBANK MOBILE towards the companies managing the franchise in Tokai and Kansai improved reaching the level of the shops directly managed by our company. Moreover, we were also able to receive high appraisal from the Softbank Group of the support system of franchised shops of our company. Thanks to the improvement in the evaluation of both our company and franchised shops, there has been an improvement in the profits of the company managing the franchise. In the future, we will further strengthen support systems for franchised shops.

Build a high profitable shop network

(3) M&A policy during a smartphone boom

Number of M & A cases of sales agents handling SOFTBANK MOBILE is to be small this year.

→ We can say that in the case of SOFTBANK MOBILE, the forerunner of smartphones, the current situation is such that the classification by color (= mergers and acquisitions, as well as the change of primary shops into secondary) has settled down for the time being.

The basic stance of our company towards mergers and acquisitions is as follows:

- 1) Take only actions that are not detrimental to financial soundness
- 2) Refuse to pursue growth simply for the sake of growth
- 3) Keeping unprofitable shops, from experience, hurts employee morale.
- 4) Follow the cardinal rule of exhaustively examining prospective deals based on the ability of new shops to operate complementary to Bell-Park's shops already existing in the vicinity.

※In addition to commission term, the opportunities for mergers and acquisitions may be affected by increases/decreases in the volume of sales.

(4) Opening of new shops

Although there is almost no room for opening new shops except in retail power centers, when there is an opportunity to open a new shop, we open it promptly.

Medium-term Management Policies (2/3)

□ Improve the quality of sales and CS (customer satisfaction)

We Set **“Best Mobile Concierge”** as our target for our customers.

(1) Sales activities backed by value added consulting services

Bell-Park shops will act quickly when new products and services are launched so that shops rapidly carry through with the initiatives demanded by SOFTBANK MOBILE. By conducting sales activities backed by consulting and ideas, we will identify and meet the needs of customers.

(2) Shop operations that use the customers' perspective (Improvement of CS)

We will educate and train sales personnel to improve their knowledge on products and services and attendant and consulting abilities. We will do utmost for explanation for customers to understand easily and operate shops at a point of view of customers.

(3) Improvement of operational efficiency by IT

We will improve shop layout and operating procedures, enhance the efficiency through full utilization of IT and strive to decrease waiting time of customers.

(4) Strengthening of risk management

One after another there have been occurrences of fraudulent contract in the stores run by other companies, and the culprits have been arrested. To avoid such problems we are currently reinforcing the risk management section in our company.

Medium-term Management Policies (3/3)

□ Invest in human resources

(1) An excellent opportunity to recruit talented people

Bell-Park recruited **55** new college graduates 2011 in April. This year, we plan to recruit about 40 new graduates. We will hire outstanding people whether they are new graduates or experience professionals.

	Application ratio for college graduates	Entry (A)	Recruiting Fair Participants	Entry (B)	Ratio (A ÷ B)
2010 Graduates	1.62	6,700	908	119	56.3
2011 Graduates	1.28	6,970	1,622	55	126.7
2012 Graduates	1.23	6,826	884	40 (plan)	170.7

Recruit Works Research Institute, "Works Study on Application Ratios for University Graduates"

(2) Upgrade employee training programs

We have further improved shop operations and achieved a higher quality of sales by upgrading training programs. We will continue to make improvements to the training that we provide to our sales personnel.

V. 2011 Earnings Plan

2011 Earnings Plan: the modifications made to the initial plan and reasons for modifications

No. of units sold

Prospects in the beginning of the term

Expected introduction of smartphone and smartpad, which are new mobile phones for the selling season

Replacement opportunity of users at the expiration of installment sales contract

- 1) **The release time of the core model of smartphone was later than expected.**
- 2) **Handsets with Android did not gain as much attention as was expected.**

⇒ A revision was made to the structure of new sales and model changes, and the total sales plan was corrected to **670,000 units (-4.3%)**.

Commissions

Prospects in the beginning of the term

Although commission term of SOFTBANK MOBILE after April, 2011 has not been announced yet, we were expecting an improvement of commission.

⇒ **The improvement of commission was not on the level we expected.**

SG&A expenses

Factors of increase

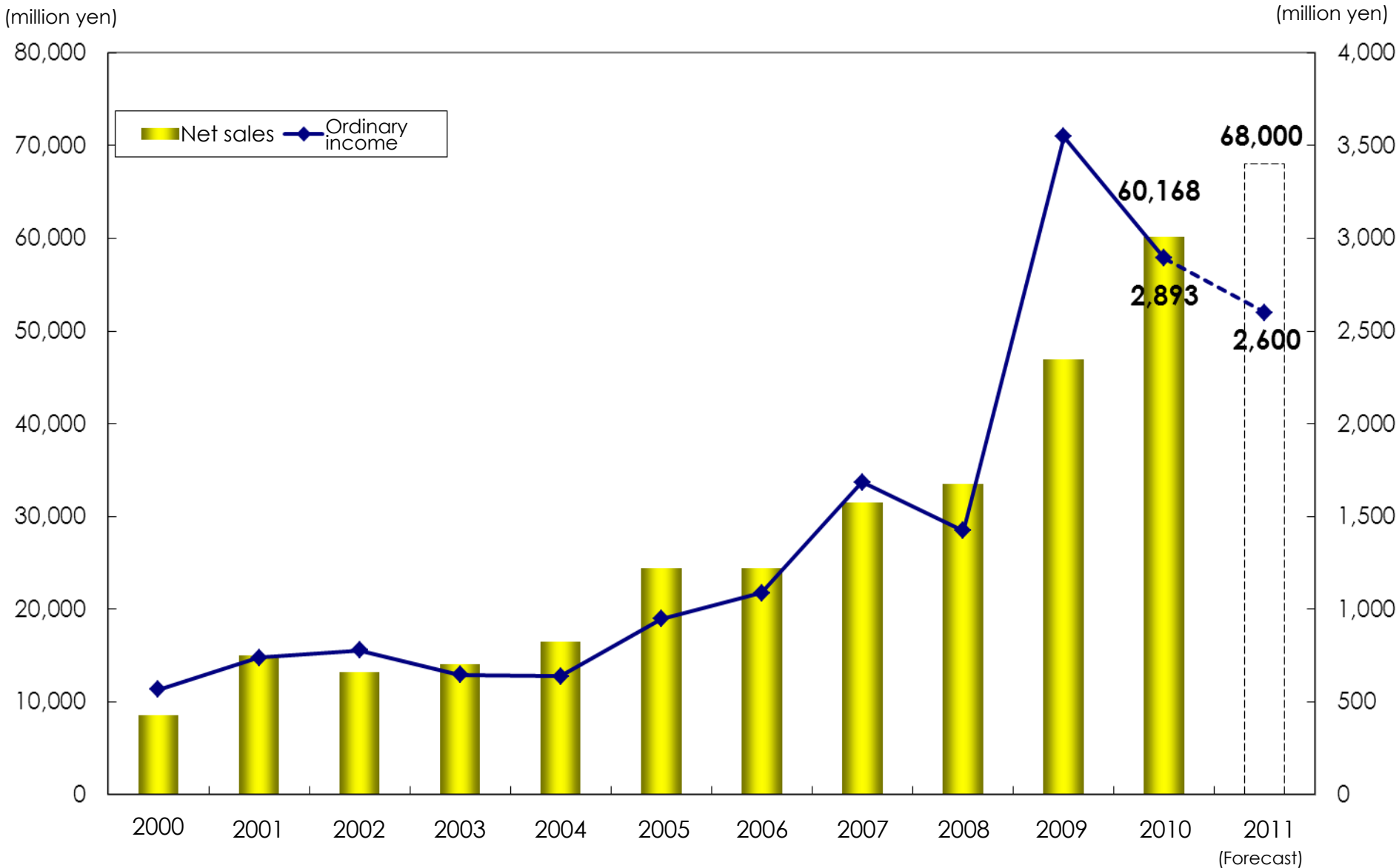
- 1) Personnel expenses: reinforcement of shop staff, etc. in view of the future prospects
→ Measures to accommodate the longer time spent waiting on customers due to CS improvement measures and concentrated on smartphones, peripheral equipment, etc.
- 2) Cost of equipment: new plans of relocation, remodeling, enlargement, etc. of shops in the second half
- 3) Sales promotion expenses: increase in the expenses spent on customers as a result of tougher competition between sales agents

2011 Earnings Plan

(million yen)

	First-half earnings plan status of achievement			Full-year earnings plan			
	Plan	Results of 2011	Achievement rate	Corrected plan	Progress rate	Results of 2010	Change
Net sales	33,000	32,442	98.3%	68,000	47.7%	60,168	+13.0%
Operating income	1,350	1,243	92.1%	2,650	46.9%	2,905	-8.8%
Ordinary income	1,350	1,217	90.2%	2,600	46.8%	2,893	-10.2%
Net income (quarterly/full-year)	750	645	86.1%	1,400	46.1%	1,659	-15.6%

2011 Net Sales and Ordinary Income Forecast



* Non-consolidated basis since 2009

VI. Shareholder Returns

Shareholder Returns

Dividends

Dividend of **¥2,600** per share is expected in the term ending in December 2011.

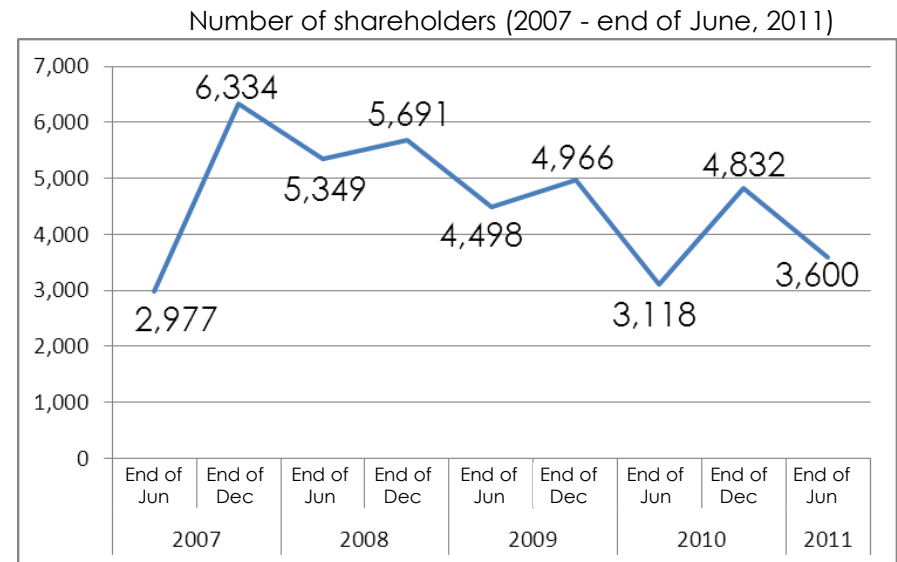
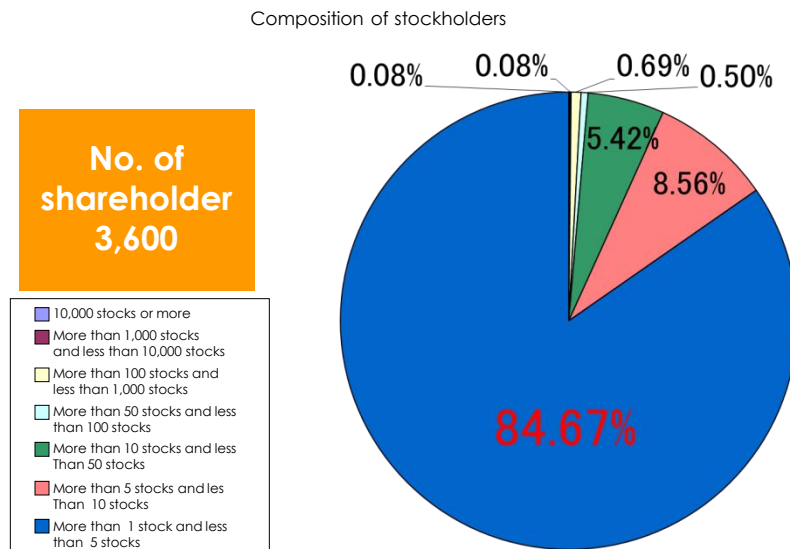
※Dividend yield is 2.24%.

Special benefit plan for shareholders

QUO card worth **¥2,000** is presented uniformly to stockholders who own more than one share.

※Dividend yield including dividend and preferential money to stockholders is 3.97%. (Dividend yield when one share is owned.)

※Based on the closing price on July 29, 2011

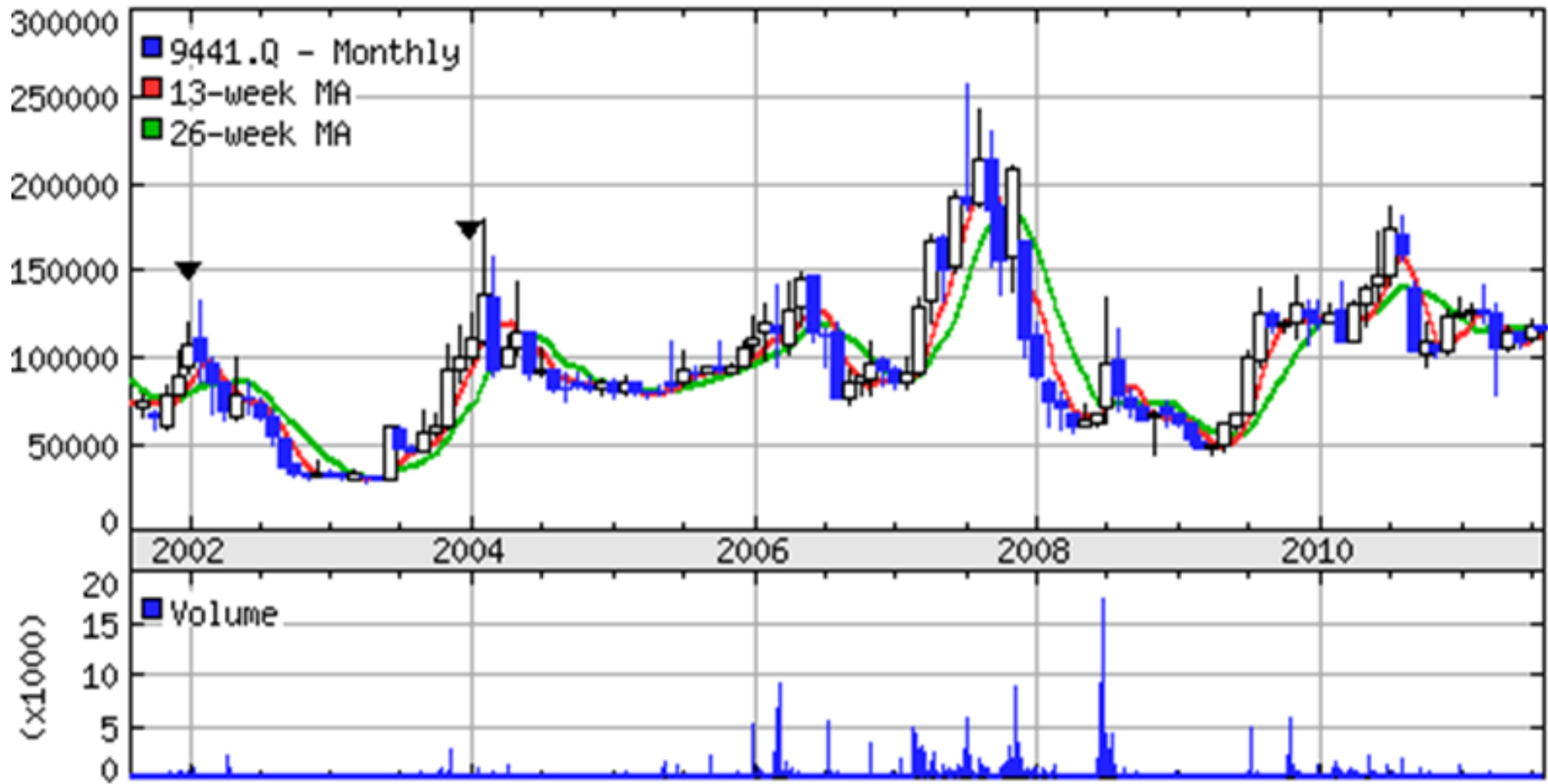


Changes in share price and turnover

Bell-Park Co.Ltd.

2011/7/28

Splits: ▼



(C) 2011 Yahoo Japan Corporation.

<http://stocks.finance.yahoo.co.jp>

(10 years)

IR and information for investors

We sincerely hope that You will use it to gain better understanding and more fully analyze our Company.

- Announcements of the volume of monthly sales
As a rule an official announcement is made every ten business days.
<http://www.bellpark.co.jp/ir/salesdata.php>
- Analyst coverage: five companies
SMBC Nikko Securities, Tachibana Securities, McCauley Securities, Mitsubishi UFJ Morgan Stanley, Morning Star
- Company report
Live report of our company by a former fund manager
Shared Research <http://www.sharedresearch.jp>
- JASDAQ analyst report
http://www.ose.or.jp/listed_company_info/ir/analyst_report_initial

Bell-Park

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

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 significantly from these statements due to changes in the operating environment and many other factors.