

Non-consolidated Financial Results for the Fiscal Year Ended December 2004

Company name: Bell-Park Co., Ltd.
 Stock code: 9441
 Stock exchange listing: JASDAQ
 Company domicile: Tokyo, Japan
 URL: <http://www.bellpark.co.jp>
 President & CEO: Takeru Nishikawa
 Contact: Hiroshi Ishikawa, Corporate Officer, General Manager, Administration Division
 Tel: +81-(0) 3-3288-5211

Date of board meeting for approving financial results: February 17, 2005

The Company has a system of interim dividend.

Annual meeting of shareholders: March 29, 2004: -

The Company does not employ a unit stock system.

1. Financial Results for the Year Ended December 31, 2004 (Jan. 1, 2004 – Dec. 31, 2004)

(1) Results of Operations

Yen in millions, rounded down

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
Year ended Dec. 2004	15,473	13.8	647	3.7	656	5.5
Year ended Dec. 2003	13,596	(0.9)	623	(8.3)	621	(12.4)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change %	Yen	Yen
Year ended Dec. 2004	273	(19.9)	4,272.47	4,240.30
Year ended Dec. 2003	341	840.5	15,753.77	15,681.13

	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	%	%	%
Year ended Dec. 2004	7.9	11.3	4.2
Year ended Dec. 2003	10.4	11.9	4.6

Notes:

1. Weighted average number of shares outstanding

Year ended December 2004: 64,109.27 shares

Year ended December 2003: 21,580.15 shares

2. Changes in accounting principles applied: None

3. The percentages shown for net sales, operating income, ordinary income, and net income represent changes from the same period in the previous fiscal year.

(2) Dividends

	Annual dividend per share			Aggregate dividend (Annual)	Payout ratio	Dividend rate for shareholders' equity
	Interim	Year end				
	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2004	1,000.00	-	1,000.00	63	23.3	1.8
Year ended Dec. 2003	5,000.00	-	5,000.00	106	31.2	3.1

(3) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2004	6,246	3,538	56.6	55,375.01
As of December 31, 2003	5,380	3,395	63.1	158,793.73

Notes:

1. Number of shares outstanding at end of period:

As of December 31, 2004: 63,897.68 shares

As of December 31, 2003: 21,372.56 shares

2. Number of treasury stock at end of period:

As of December 31, 2004: 2,033.50 shares

As of December 31, 2003: 509.5 shares

2. Forecast for the Year Ending December 2005 (Jan. 1, 2005 – Dec. 31, 2005)

	Net sales	Ordinary income	Net income	Dividend per share		
				Interim	Year-end	Annual
	Million yen	Million yen	Million yen	Yen	Yen	Yen
Interim	8,300	260	130	-	-	-
Full Year	18,000	630	310	-	1,000.00	1,000.00

Reference: Estimated net income per common share for the year ending Dec. 2005: 4,851.50 yen

Estimated net income per common share is calculated based on the estimated average number of shares outstanding during the year.

Forward Looking Statements

Forecasts regarding future performance in these materials are based estimates and judgments of the Company's management made in accordance with information available at the time this report was prepared. Forecasts therefore embody risks and uncertainties. Actual results may differ significantly from these forecasts for a number of factors. Readers are advised to refer to Supplementary Information in Consolidated Financial Results (Page 10) for details on business forecasts, and assumptions and other relevant factors on which they are based.

8. Non-consolidated Financial Statements

1) Non-consolidated Balance Sheets

Account	Fiscal year	FY 2003 (As of December 31, 2003)		FY 2004 (As of December 31, 2004)	
		Thousand yen	%	Thousand yen	%
Assets					
I. Current assets					
1. Cash on hand and in banks		2,058,117		2,032,895	
2. Accounts receivable - trade		235,535		286,798	
3. Accounts receivable - other		1,179,403		1,389,862	
4. Merchandise		797,349		815,060	
5. Supplies		331		1,766	
6. Prepaid expenses		33,913		31,324	
7. Short-term loans receivable		324		24,324	
8. Accounts receivable – non-trade		185,073		41,280	
9. Deferred tax assets		83,808		45,282	
10. Other current assets		704		3,318	
11. Allowance for doubtful accounts		(187)		(177)	
Total current assets		4,574,374	85.0	4,671,734	74.8
II. Fixed assets					
1. Property, plant and equipment					
(1) Buildings	160,131		187,830		
Accumulated depreciation	48,041	112,089	48,097	139,733	
(2) Structures	2,195		2,592		
Accumulated depreciation	37	2,157	525	2,066	
(3) Vehicles	-		1,530		
Accumulated depreciation	-	-	273	1,256	
(4) Furniture and fixtures	56,082		83,948		
Accumulated depreciation	37,355	18,726	46,336	37,612	
Total property, plant and equipment		132,972	2.5	180,669	2.9
2. Intangible assets					
(1) Leasehold rights		-		1,000	
(2) Trademarks		757		254	
(3) Software		2,030		495	
(4) Others		4,151		4,204	
Total intangible assets		6,940	0.1	5,955	0.1
3. Investments and other assets					
(1) Investments in affiliates		35,816		735,816	
(2) Long-term prepaid expenses		19,821		12,749	
(3) Deposits		7,336		2,821	
(4) Membership rights		137,922		137,922	
(5) Leasehold deposits		382,007		415,771	
(6) Deferred tax assets		54,242		60,151	
(7) Long-term loans receivable		3,483		3,159	
(8) Long-term loans to affiliates		-		22,000	
(9) Others		27,826		1,714	
(10) Allowance for doubtful accounts		(1,770)		(3,609)	
Total investments and other assets		666,685	12.4	1,388,495	22.2
Total fixed assets		806,599	15.0	1,575,119	25.2
Total assets		5,380,973	100.0	6,246,854	100.0

Account	Fiscal year	FY 2003 (As of December 31, 2003)		FY 2004 (As of December 31, 2004)	
		Thousand yen	%	Thousand yen	%
		Liabilities			
I. Current liabilities					
1. Accounts payable - trade		1,328,678		1,440,921	
2. Operational accrued expenses		213,605		275,788	
3. Accounts payable - non-trade		91,599		306,272	
4. Accrued income taxes		-		270,189	
5. Accrued consumption taxes		2,024		34,272	
6. Accrued expenses		77,999		86,948	
7. Deposits received		164,537		165,708	
8. Reserve for employees' bonuses		23,879		26,136	
9. Reserve for loss on short-term contract cancellations		12,597		29,013	
10. Other current liabilities		2,979		5,735	
Total current liabilities		1,917,901	35.6	2,640,984	42.3
II. Long-term liabilities					
1. Liability for employees' retirement benefits		9,985		15,623	
2. Accrued directors' severance benefits		41,969		-	
3. Others		15,288		51,911	
Total long-term liabilities		67,242	1.3	67,534	1.1
Total liabilities		1,985,144	36.9	2,708,519	43.4
Shareholders' equity					
I. Common stock	*1	1,074,301	20.0	1,085,035	17.4
II. Capital surplus					
1. Additional paid-in capital		1,528,708		1,539,443	
Total capital surplus		1,528,708	28.4	1,539,443	24.6
III. Retained earnings					
1. Legal reserve		8,078		8,078	
2. Unappropriated retained earnings at end of year		854,317		1,019,359	
Total retained earnings		862,395	16.0	1,027,437	16.4
IV. Treasury stock	*2	(69,576)	(1.3)	(113,581)	(1.8)
Total shareholders' equity		3,395,828	63.1	3,538,335	56.6
Liabilities and shareholders' equity		5,380,973	100.0	6,246,854	100.0

(2) Non-Consolidated Statements of Income

Account	Fiscal year	FY 2003 (Jan. 1 - Dec. 31, 2003)			FY 2004 (Jan. 1 - Dec. 31, 2004)		
		Thousand yen		Vs.net sales	Thousand yen		Vs.net sales
I. Net sales							
1. Merchandise sales		3,478,827			3,467,174		
2. Commissions received		10,117,287	13,596,114	100.0	12,006,418	15,473,592	100.0
II. Cost of goods sold							
1. Inventories - beginning of year		372,608			797,349		
2. Purchases		9,198,485			10,511,352		
3. Merchandise received from acquisition of goodwill		-			20,643		
Total		9,571,093			11,329,345		
4. Inventories - end of year		797,349			815,060		
Net		8,773,744			10,514,285		
5. Commissions paid		2,172,962	10,946,706	80.5	2,164,161	12,678,447	81.9
Gross profit			2,649,407	19.5		2,795,145	18.1
III. SG&A expenses	*1						
1. Advertisement		-			109,372		
2. Salaries		-			533,557		
3. Miscellaneous wages		-			298,253		
4. Welfare expenses		-			102,344		
5. Provision of accrued bonuses		-			26,136		
6. Retirement benefit expenses		-			10,319		
7. Outsourcing expenses		-			106,542		
8. Rent		-			313,890		
9. Depreciation		-			29,460		
10. Others		-	2,025,464	14.9	598,071	2,147,949	13.9
Operating income			623,943	4.6		647,196	4.2

Account	FY 2003 (Jan. 1 - Dec. 31, 2003)		FY 2004 (Jan. 1 - Dec. 31, 2004)			
	Thousand yen		Vs.net sales	Thousand yen		Vs.net sales
IV. Non-operating income						
1. Interest income	871			973		
2. Additional tax refund	-			3,996		
3. Payments on termination of insurance policies	-			5,598		
4. Income from rentals	2,278			9,313		
5. Other income	4,168	7,318	0.1	4,898	24,779	0.1
V. Non-operating expenses						
1. Interest expense	1,603			2,205		
2. Loss on foreign exchange	5,004			-		
3. New stock issue expenses	1,050			-		
4. Provision of allowance for doubtful accounts	-			8,961		
5. Other losses	1,653	9,311	0.1	4,804	15,971	0.1
Ordinary income		621,950	4.6		656,004	4.2
VI. Extraordinary income						
1. Gain on sale of fixed assets *2	13,190			-		
2. Gain on sale of investment securities	-	13,190	0.0	3,500	3,500	0.0
VII. Extraordinary loss						
1. Loss on removal of fixed assets *3	10,461			25,565		
2. Loss on revaluation of investment securities	30,000			-		
3. Loss on liquidation of affiliates	-			51,428		
4. Others	3,312	43,773	0.3	6,024	83,018	0.5
Net income before income taxes		591,366	4.3		576,486	3.7
Income taxes - current	16,104			269,963		
Income taxes - deferred	233,293	249,398	1.8	32,617	302,581	1.9
Net income		341,968	2.5		273,905	1.8
Retained earnings brought forward		512,348			745,454	
Unappropriated retained earnings at end of year		854,317			1,019,359	

(3) Non-Consolidated Statement of Appropriations

Account	Fiscal year	FY 2003 Approved at annual meeting of shareholders on March 26, 2004		FY 2004 Subject to approval at annual meeting of shareholders on March 29, 2005	
		Thousand yen		Thousand yen	
I. Unappropriated retained earnings at end of year			854,317		1,019,359
II. Appropriations					
1. Cash dividends		106,862		63,897	
2. Directors' bonuses		2,000	108,862	-	63,897
III. Retained earnings carried forward to the next year			745,454		955,461

**This financial report is solely a translation of summary of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*

Significant Accounting Policies

Item	FY2003 (Jan. 1 – Dec. 31, 2003)	FY2004 (Jan. 1 – Dec. 31, 2004)
1. Securities valuation basis and valuation method	<p>(1) Subsidiary stock Subsidiaries are stated at cost, cost being determined by the moving-average method.</p> <p>(2) Other securities Securities without market quotations: Securities without market quotations are stated at cost, cost being determined by the moving-average method.</p>	<p>(1) Subsidiary stock Same as on the left.</p> <p>(2) Other securities Securities without market quotations: Same as on the left.</p>
2. Inventories valuation basis and valuation method	<p>Merchandise: Inventories are stated at cost determined primarily by the moving-average method.</p> <p>Supplies: Supplies are stated at cost, cost being determined by the last purchase price method.</p>	<p>Merchandise: Same as on the left.</p> <p>Supplies: Same as on the left.</p>
3. Methods of depreciation and amortization	<p>Property, plant and equipment Depreciation of property, plant and equipment is primarily computed by the declining-balance method.</p> <p>Useful life of principle assets is as follows: Buildings: 3-47 years Structures: 10 years Furniture & Fixtures: 3-10 years</p> <p>Intangible assets Straight-line method. The development costs of software intended for internal use are amortized over an estimated useful life of 5 years by the straight-line method.</p> <p>Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	<p>Property, plant and equipment Depreciation of property, plant and equipment is primarily computed by the declining-balance method.</p> <p>Useful life of principle assets is as follows: Buildings: 3-24 years Structures: 10-20 years Vehicles: 2-6 years Furniture & Fixtures: 3-10 years</p> <p>Intangible assets Same as on the left. The development costs of software intended for internal use are amortized over an estimated useful life of 5 years by the straight-line method. Goodwill recorded during the fiscal period was amortized in a lump sum.</p> <p>Long-term prepaid expenses Same as on the left.</p>
4. Accounting for deferred assets	<p>Deferred assets Share issue expenses Changed to income as accrued.</p>	<p>Deferred assets Share issue expenses Same as on the left.</p>

Item	FY2003 (Jan. 1 – Dec. 31, 2003)	FY2004 (Jan. 1 – Dec. 31, 2004)
5. Recognition of significant allowances	<p>(1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable and loans receivable etc., allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.</p> <p>(2) Reserves for employees' bonuses As a means of providing for bonus obligations, the Company designates in the reserve account an amount estimated to have accrued for the current period.</p> <p>(3) Allowance for early subscription cancellations The Company refunds subscription commission to the telecom carrier, with which it has an agency agreement, if a subscriber cancels his subscription early. To provide for repayment of subscription commission related to such early subscription cancellations, the Company provides an allowance equal to the estimated amounts of refund for early subscription commission based on the historical refund ratio.</p> <p>(Changes in accounting treatment) In prior period, the Company deducted refunds for early subscription commissions related to short-period subscription cancellations from the net sales. Effective the current fiscal year, to provide for refund of subscription commission for early subscription cancellation, the Company provides an allowance equal to the estimated amount of refund of subscription commission related to early subscription cancellations based on the historical refund ratio. Competition is intensifying in the mobile communications industry.</p> <p>Furthermore, replacement demand is expected to increase as mobile phones with more powerful functions are introduced and win acceptance and it has now become possible to more precisely estimate the level of early subscription cancellations. The Company believe that establishment of an "allowance for early subscription cancellations" will provide a more accurate balance between applicable income and expenses.</p> <p>The effect of this change was to decrease net sales by 12,597 thousand yen and decrease operating income, ordinary income and income before income taxes by equivalent amounts, compared to the amounts that would have been reported if the previous method had been applied consistently.</p>	<p>(1) Allowance for doubtful accounts Same as on the left.</p> <p>(2) Reserves for employees' bonuses Same as on the left.</p> <p>(3) Allowance for early subscription cancellations The Company refunds subscription commission to the telecom carrier, with which it has an agency agreement, if a subscriber cancels his subscription early. To provide for repayment of subscription commission related to such early subscription cancellations, the Company provides an allowance equal to the estimated amounts of refund for early subscription commission based on the historical refund ratio.</p>

Item	FY2003 (Jan. 1 – Dec. 31, 2003)	FY2004 (Jan. 1 – Dec. 31, 2004)
	<p>(4) Liability for employees' retirement benefits To provide for employee retirement benefits, the Company provides an allowance for retirement benefits in the amount deemed to have accrued, determined (simple method) on the basis of the projected benefit obligation on the fiscal year balance sheet date.</p> <p>(5) Accrued directors' severance benefits To provide for accrued directors' severance benefits, the Company provides an allowance for the aggregate amount payable at the end of the period pursuant to the Company's rules on directors' retirement benefits.</p>	<p>(4) Liability for employees' retirement benefits Same as on the left.</p> <p>(5) Accrued directors' severance benefits Previously, to provide for the accrued directors' severance benefits, the Company provided an allowance for the aggregate amount payable at the end of the period pursuant to the Company's rules on directors' retirement benefits. The directors' retirement benefit system was terminated at the March 26, 2004 shareholders meeting and amounts due to current directors as of the end of this meeting are to be paid upon the retirement of these directors. Accordingly, the balance of 40,494 thousand yen in directors' retirement benefits as of the end of this meeting have been transferred to "others" in long-term liabilities.</p>
6. Other significant accounting policies in the preparation of financial statements	<p>1) Accounting for consumption taxes All amounts stated are exclusive of consumption taxes.</p> <p>2) Per-share information Beginning with the current fiscal year, the Company has adopted the "Standard Related to Net Income per Share" (Accounting Standards for Business Enterprises No. 2) and the "Application Guidelines for Accounting Standard Related to Net Income per Share" (Accounting Standards for Business Enterprises Implementation Guideline No. 4). Please refer to the note concerning per-share information for the effect of this change.</p>	<p>1) Accounting for consumption taxes Same as on the left.</p> <p style="text-align: center;">-</p>

Reclassifications

FY2003 (Jan. 1 – Dec. 31, 2003)	FY2004 (Jan. 1 – Dec. 31, 2004)																						
<p>(Non-consolidated balance sheet)</p> <p>Effective the current non-consolidated fiscal year, “Accounts receivable – non-trade,” included in “Others” under “Current liabilities” in prior periods, is reclassified and presented as a separate line item since the amount of “Accrued payable-other,” exceeded 1/100 of the “Total assets.”</p> <p>In the previous fiscal year, “Accounts receivable – non-trade,” totaled 24,076 thousand yen.</p>	<p>-</p>																						
<p>-</p>	<p>(Non-consolidated statements of income)</p> <p>1. Effective the current fiscal year, selling, general and administrative expenses presented as a single item “Selling, general and administrative expenses” (with the breakdown of major items and corresponding expenses presented in the Notes to Non-consolidated Statements of Income) in prior periods are reclassified and presented as separate line items.</p> <p>The following is a restatement of the selling, general and administrative expenses for the previous fiscal year to make them conform to the current fiscal year presentation:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">Thousand yen</th> </tr> </thead> <tbody> <tr> <td>Advertisement</td> <td style="text-align: right;">119,605</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">461,140</td> </tr> <tr> <td>Miscellaneous wages</td> <td style="text-align: right;">273,650</td> </tr> <tr> <td>Welfare expenses</td> <td style="text-align: right;">88,486</td> </tr> <tr> <td>Provision of reserve for bonuses</td> <td style="text-align: right;">23,879</td> </tr> <tr> <td>Retirement benefits expenses</td> <td style="text-align: right;">7,090</td> </tr> <tr> <td>Outsourcing expenses</td> <td style="text-align: right;">107,439</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">287,735</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">26,547</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">629,887</td> </tr> </tbody> </table> <p>2. Effective the current non-consolidated fiscal year, “Provision of allowance for doubtful accounts,” presented as a separate line item under “Non-operating expenses” in the previous fiscal year, is reclassified and included in “Other losses,” in “Non-operating expenses” given the reduced materiality of impact of the amount on the Non-consolidated financial statements.</p> <p>In the current fiscal year, “Provision of allowance for doubtful accounts,” included in “Other losses” is 125 thousand yen.</p>		Thousand yen	Advertisement	119,605	Salaries	461,140	Miscellaneous wages	273,650	Welfare expenses	88,486	Provision of reserve for bonuses	23,879	Retirement benefits expenses	7,090	Outsourcing expenses	107,439	Rent	287,735	Depreciation	26,547	Others	629,887
	Thousand yen																						
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Others	629,887																						

Supplementary Information

No reportable information.

Notes to Non-consolidated Financial Statements

Notes to Non-consolidated Balance Sheets

FY2003 (As of Dec. 31, 2003)	FY2004 (As of Dec. 31, 2004)
*1 Class and number of shares outstanding	*1 Class and number of shares outstanding
Common stock 84,500 shares	Common stock 84,500 shares
Number of shares outstanding	Number of shares outstanding
Common stock 21,882.06 shares	Common stock 65,931.18 shares
*2 Treasury stock	*2 Treasury stock
Common stock 509.5 shares	Common stock 2,033.5 shares

Notes to Non-consolidated Statements of Income

Thousand yen

FY2003 (Jan. 1 - Dec. 31, 2003)	FY2004 (Jan. 1 - Dec. 31, 2004)
*1 Selling expenses represent approximately 23% of the total selling, general and administrative expenses, and general and administrative expenses approximately 77%. Significant components and corresponding amounts are as follows.	*1 -
Salaries 461,140	
Miscellaneous wages 273,650	
Rent 287,735	
Depreciation 26,547	
Provision of reserve for employees' bonuses 23,879	
Retirement benefit expenses 7,090	
Provision of accrued directors' severance benefits 6,072	
Advertisement 119,605	
Outsourcing expenses 107,439	
*2 Significant components of loss on sale of fixed assets	*2 -
Buildings 12,925	
Land 264	
Total 13,190	
*3 Significant components loss on removal of fixed assets	*3 Significant components loss on removal of fixed assets
Buildings 10,287	Buildings 23,695
Furniture & fixture 173	Furniture & fixture 713
	Trade mark rights 390
	Software 766
Total 10,461	Total 25,565

Leases

No reportable information.

Securities

1. FY2003 (Jan. 1- Dec. 31, 2003) and FY2004 (Jan. 1- Dec. 31, 2004)

There is no subsidiary stock with market quotations.

Deferred Income Taxes

Thousand yen

FY2003 (Jan. 1 – Dec. 31, 2003)	FY2004 (Jan. 1 – Dec. 31, 2004)
1. Major components of deferred tax assets	1. Major components of deferred tax assets
Deferred tax assets	Deferred tax assets
Lump-sum amortized assets 1,378	Lump-sum amortized assets 1,553
Accrued enterprise taxes (13,614)	Accrued enterprise taxes 20,466
Amortization of goodwill in excess of maximum amount allowed for inclusion in expenses 18,605	Amortization of goodwill in excess of maximum amount allowed for inclusion in expenses 26,048
Provision of reserve for employees' bonuses in excess of maximum amount allowed for inclusion in expenses 10,473	Provision of reserve for employees' bonuses in excess of maximum amount allowed for inclusion in expenses 11,814
Provision of reserve for loss on short-term contract cancellations not included in expenses 5,303	Provision of reserve for loss on short-term contract cancellations not included in expenses 11,808
Provision of liability for employees' retirement benefits in excess of maximum amount allowed for inclusion in expenses 3,385	Provision of liability for employees' retirement benefits in excess of maximum amount allowed for inclusion in expenses 5,970
Provision of accrued directors' severance benefits in excess of maximum amount allowed for inclusion in expenses 17,081	Provision of accrued directors' severance benefits in excess of maximum amount allowed for inclusion in expenses 12,787
Loss on revaluation of memberships not included in expenses 1,581	Loss on revaluation of memberships not included in expenses 1,581
Provision of allowance for doubtful accounts in excess of maximum amount allowed for inclusion in expenses 787	Provision of allowance for doubtful accounts in excess of maximum amount allowed for inclusion in expenses 1,192
Loss on revaluation of investment securities not included in expenses 12,210	Loss on revaluation of investment securities not included in expenses 12,210
Loss carried forward 80,859	Total deferred tax assets 105,433
Total deferred tax assets 138,051	Deferred tax liabilities -
Deferred tax liabilities -	Total deferred tax liabilities -
Total deferred tax liabilities -	Net deferred tax assets 105,433
Net deferred tax assets 138,051	
2. Significant sources of the difference between the statutory and effective tax rates	2. Significant sources of the difference between the statutory and effective tax rates
Significant sources of the difference between the statutory and effective tax rates are not presented because the difference is less than 5/100 of the statutory tax rate.	Statutory tax rate 42.1%
	(Adjustments)
	Entertainment expenses and other items not to be included in expenses indefinitely 1.6%
	Residential tax for the period (straight-line) 3.0%
	Tax on reserved income of family-owned companies 6.2%
	Others (0.4)%
	Effective tax rate 52.5%

Per Share Information

Yen

FY2003 (Jan. 1 - Dec. 31, 2003)		FY2004 (Jan. 1 - Dec. 31, 2004)	
Shareholders' equity per share	158,793.73	Shareholders' equity per share	55,375.01
Net income per share (basic)	15,753.77	Net income per share (basic)	4,272.47
Net income per share (diluted)	15,681.13	Net income per share (diluted)	4,240.30
<p>Effective the current fiscal year, the Company adopted the new accounting standards for earnings per share Accounting Standard No. 2: "Accounting Standards for Earnings Per Share," (ASBJ) and Accounting Standard Implementation Guidance No. 4: "Implementation Guidance on Accounting Standard for Earnings Per Share" (ASBJ). Restatement of per-share information for the current fiscal year to conform with the previous standards:</p>		<p>Diluted net income per share is not presented since the Company posted a net loss for the current fiscal year. 3-for-1 stock split was conducted on February 20, 2004. Per-share information calculated as if this split had occurred at the beginning of 2003 is presented below.</p>	
Shareholders' equity per share	158,887.31	Shareholders' equity per share	52,931.24
Net income per share (basic)	15,846.45	Net income per share (basic)	5,251.25
Net income per share (diluted)	15,773.38	Net income per share (diluted)	5,227.04

The following is a reconciliation of basic net income per share to diluted net income per share

Thousand yen

	FY 2003 (Jan. 1 - Dec. 31, 2003)	FY 2004 (Jan. 1 - Dec. 31, 2004)
Net income per share		
Net income	341,968	273,905
Net income not available to common shareholders	2,000	-
[Of which bonuses to directors in the appropriation of retained earnings]	[2,000]	-
Net income available to common stock	339,968	273,905
Average number of shares outstanding	21,580.15	64,109.27
Net income per share (diluted)		
Increase in the number of common shares (shares)	99.97	486.31
[of which stock acquisition rights] (share)	[99.97]	[486.31]
Summary of potential stock not included in the calculation of "net income per share (diluted)" since there was no dilutive effect in the current fiscal year.	<p>New stock acquisition rights under the provisions of Article 280-19 of the Commercial Code of Japan:</p> <p>(Pursuant to the resolution adopted at the General Meeting of Shareholders held on Nov.11, 1999) Number of shares to be issued: 148.5 shares Exercise price: 277,778 yen</p> <p>(Pursuant to the resolution adopted at the General Meeting of Shareholders held on Mar.15, 2000) Number of shares to be issued: 18 shares Exercise price: 283,334 yen</p> <p>(Pursuant to the resolution adopted at the General Meeting of Shareholders held on Mar.29, 2001) 1) Beginning of exercise period: Apr.1, 2002 Number of shares to be issued: 114 shares Exercise price: 219,064 yen 2) Beginning of exercise period: Apr.1, 2003 Number of shares to be issued: 159 shares Exercise price: 219,064 yen</p> <p>(Pursuant to the resolution adopted at the General Meeting of Shareholders held on Mar.28, 2002) 1) Beginning of exercise period: Apr.1, 2003 Number of shares to be issued: 174 shares Exercise price: 221,662 yen 2) Beginning of exercise period: Apr.1, 2004 Number of shares to be issued: 64 shares Exercise price: 221,662 yen</p>	-

Subsequent Events

No reportable information.

7. Changes in Directors

(1) Representative director
No reportable information.

(2) Directors
Candidates for director:
Director, Masaki Koroyasu

Note:

Mr. Masaki Koroyasu, a candidate for director, is an independent outside director in accordance with the Article 188-2-7-2 of the Commercial Code.

** This financial report is solely a translation of summary of “Kessan Tanshin”(in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*