



## Consolidated Financial Summaries for the Third Quarter Ended September 2005

October 31, 2005

Company name: Bell-Park Co., Ltd.  
Stock code: 9441  
Stock exchange listing: JASDAQ  
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### 1. Notes on Preparation of Quarterly Consolidated Financial Summaries

#### 1) Adoption of the simple method for accounting principles: Yes

(Details) The simple method based on the effective tax rate has been applied to the calculation of income taxes. The simple method is also applied to the calculation of certain items that have an insignificant impact on the financial statements.

#### 2) Changes in accounting principles applied in recent fiscal year: None

#### 3) Changes in the scope of consolidation and affiliates accounted for under the equity method: Yes

(Details) Consolidated subsidiaries (Newly): 2

### 2. Consolidated Financial Summaries for the Third Quarter Ended September 2005 (Jan. 1 – Sep. 30, 2005)

#### (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 %
3Q ended Sep. 2005	18,053	56.4	730	60.5	734	58.4
3Q ended Sep. 2004	11,545	-	455	-	463	-
Year ended Dec. 2004	16,456		630		637	

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change %	Yen	Yen
3Q ended Sep. 2005	367	107.5	5,774.67	5,749.86
3Q ended Sep. 2004	177	-	-	-
Year ended Dec. 2004	(234)		(3,655.66)	-

#### Notes

- Weighted average number of shares outstanding  
3Q ended Sep. 2005: 63,605.07 shares  
3Q ended Sep. 2004: - shares  
Year ended Dec. 2004: 64,109.27 shares
- Each "YoY change" represents its relevant change in percentage compared to the same period of the previous fiscal year.
- Year-on-year comparison of quarterly operating results is not presented for the third quarter of the previous fiscal year, since the Company started to prepare quarterly financial statements from the first quarter of the previous fiscal year.
- Year-on-year comparison of quarterly earnings per share is not presented, since the Company started releasing quarterly earnings per share from the current quarter.

## [Consolidated Results of Operations]

### 1. Summary of the Third quarter:

Japan's economy experienced a gradual recovery in the third quarter of the current fiscal year as the effect of the strong corporate sector performance started to make itself felt in the consumer sector.

In this environment, the Bell-Park Group focused on generating earnings in its mobile phone sales business, as well as on developing network business, staffing services business as new business operations for the Group.

Due to the above factors, nine-month period net sales was 18,053 million yen (156.4%, compared to the previous year), operating income was 730 million yen (160.5%), ordinary income was 734 million yen (158.4%), and net income was 367 million yen (207.5%).

### 2. Summary of results by business segment

Results by business segment were as follows. Year-on-year comparisons of net sales and operating income/loss are not presented, since the Company did not report operating results by segment in the previous fiscal year.

#### 1) Mobile phone sales business

The mobile phone sales industry continued to encounter a difficult operating environment. Challenges are posed by slowing growth in new subscribers as the penetration rate climbs even higher and the reorganization of the mobile phone retailing business as small and mid-sized sales agents go out of business or are sold. Above all, the operating environment for Vodafone sales agents was extremely severe, although we did see a modest net increase in new subscribers as the continuing decline in subscribers over the six months from December 2004 was finally arrested.

In this environment, the Company added a total of 15 shops in prime locations through three acquisitions: 4 shops in March 2004, 9 shops in December 2004 and 2 shops in March 2005. These shops made a significant contribution to third quarter results by accurately targeting replacement demand and after-sales service demand in line with the Company's strategy. In addition, the Company continued to focus on employee training and enhancing shop operations, in order to cope with demands imposed by increasingly sophisticated mobile phone terminals and services. The Company executed a sales strategy that shielded shops from much of the excessive discounting of mobile phones. Rather than relying solely on sales of new phones, shops concentrated on preserving and enhancing customer satisfaction, upgrading handsets of current users, and providing after-sales services and responses to complaints. By maintaining the proper balance of many activities at shops in this manner, the Company concentrated on increasing earnings.

In the nine-month period of 2005, segment sales totaled 17,010 million yen and operating income was 1,157 million yen.

#### 2) Network business

The operating environment in the fixed-line communication service sector saw far-reaching changes as JAPAM TELECOM changed its strategy to de-emphasize sales for individual users, in view of the heated service competition between carriers.

In this environment, the Group focused on enhancing customer service, improving marketing efficiency and boosting subscriptions and sales. Measures taken included promotion of subscriptions to the “KDDI Metal Plus” service to enhance customer convenience (subscribers receive a single invoice for fixed-line and mobile phones), and increasing sales of “NTT B FLET’S” service for condominiums, to popularize and expand this optical access service.

Due to these actions, this segment posted sales of 489 million yen and an operating loss of 131 million yen in the nine-month period of 2005.

### 3) Staffing services business

The primary activity in this segment is the provision of employees to sell mobile phones. Demand for this type of staffing service is growing as mobile phone sales agents increase their reliance on employees sent from temporary placement firms.

In this environment, the Group concentrated on establishing ties with new clients and increasing business volume with existing clients.

In the nine-month period of 2005, segment sales totaled 615 million yen and there was an operating loss of 31 million yen.

## (2) Financial Position

*Yen in millions, rounded down*

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of Sep. 2005	6,055	3,265	53.9	51,895.28
As of Sep. 2004	5,793	3,465	59.8	-
As of Dec. 2004	6,837	3,053	44.7	47,786.63

### Notes

#### 1. Number of shares outstanding at end of period

As of Sep. 2005:	65,961.18 shares
As of Sep. 2004:	- shares
As of Dec. 2004:	63,897.68 shares

#### 2. Number of treasury stock at end of period

As of Sep. 2005:	3,033.5 shares
As of Sep. 2004:	- shares
As of Dec. 2004:	2,033.5 shares

#### 3. Year-on-year comparison of quarterly earnings per share is not presented, since the Company started releasing quarterly earnings per share from the current quarter.

[Cash Flows Position]

*Yen in millions, rounded down*

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
3Q ended Sep. 2005	(501)	(416)	(48)	1,362
3Q ended Sep. 2004	-	-	-	-
Year ended Dec. 2004	935	(580)	(130)	2,328

Note: Cash flows for the third quarter of the previous fiscal year are not presented, since the Company started releasing quarterly cash flow data from the current quarter.

[Financial Position]

Total assets as of September 30, 2005 were 6,055 million yen, a decline of 782 million yen from the end of the previous fiscal year. In current assets, cash and cash equivalents declined 966 million yen. In current liabilities, accounts payable-trade and accounts payable-other, and accrued expenses declined by 742 million yen and 371 million yen, respectively.

There were no significant changes in fixed assets and long-term liabilities.

Total shareholders' equity rose 212 million yen to 3,265 million yen. The shareholders' equity ratio was 53.9%.

Net cash used in operating activities was 501 million yen and net cash used in investing activities totaled 416 million yen. Cash flow from financing activities was a negative 48 million yen. As a result of the above and other factors, cash and cash equivalents at the end of the quarter were 1,362 million yen, a decline of 966 million yen compared to the end of the previous fiscal year.

3. Forecast for the Year Ending December 2005 (Jan. 1 - Dec. 31, 2005)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Full year	24,000	850	400

Note: Previous forecasts for the year ending December 2005 have not been changed.  
Actual results may differ significantly from these forecasts for a number of factors.

[Consolidated Forecasts]

The achievement rate of net sales, ordinary income and net income for the first nine months of the current fiscal year were 75.2%, 86.4% and 91.8%, respectively. The Company will continue to strive to achieve its forecasts for the current fiscal year.

The Company has decided not to revise the forecasts of operating results released on August 9, 2005 in the Interim Financial Results for the Fiscal Year Ending December 2005.

## 1. Summary Consolidated Balance Sheet

(Thousand yen, %)

Account	FY2005 3Q (As of Sep. 30, 2005)	FY2004 3Q (As of Sep. 30, 2004)	Change		FY2004 (As of Dec. 31, 2004)
	Amount	Amount	Amount	%	Amount
<b>Assets</b>					
I Current assets	4,673,827	4,918,557	(244,729)	(5.0)	5,796,946
II Fixed assets	1,381,379	874,622	506,756	57.9	1,040,352
Property, plant and equipment	280,452	162,610	117,841	72.5	215,835
Intangible assets	25,675	13,114	12,560	95.8	12,114
Investments and other assets	1,075,251	698,896	376,355	53.8	812,402
<b>Total assets</b>	<b>6,055,206</b>	<b>5,793,179</b>	<b>262,026</b>	<b>4.5</b>	<b>6,837,298</b>

<b>Liabilities</b>					
I Current liabilities	2,604,263	2,258,031	346,231	15.3	3,704,722
II Long-term liabilities	185,292	69,508	115,784	166.6	79,120
<b>Total liabilities</b>	<b>2,789,556</b>	<b>2,327,539</b>	<b>462,016</b>	<b>19.9</b>	<b>3,783,843</b>
<b>Shareholders' equity</b>					
I Common stock	1,086,140	1,081,636	4,503	0.4	1,085,035
II Capital surplus	1,540,547	1,536,044	4,503	0.3	1,539,443
III Retained earnings	845,958	953,943	(107,985)	(11.3)	542,557
IV Net unrealized holding gain on securities	1,039	-	1,039	-	-
V Treasury stock	(208,036)	(105,985)	(102,051)	(96.3)	(113,581)
<b>Total shareholders' equity</b>	<b>3,265,650</b>	<b>3,465,639</b>	<b>(199,989)</b>	<b>(5.8)</b>	<b>3,053,454</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>6,055,206</b>	<b>5,793,179</b>	<b>262,026</b>	<b>4.5</b>	<b>6,837,298</b>

## 2. Summary Consolidated Income Statements

(Thousand yen, %)

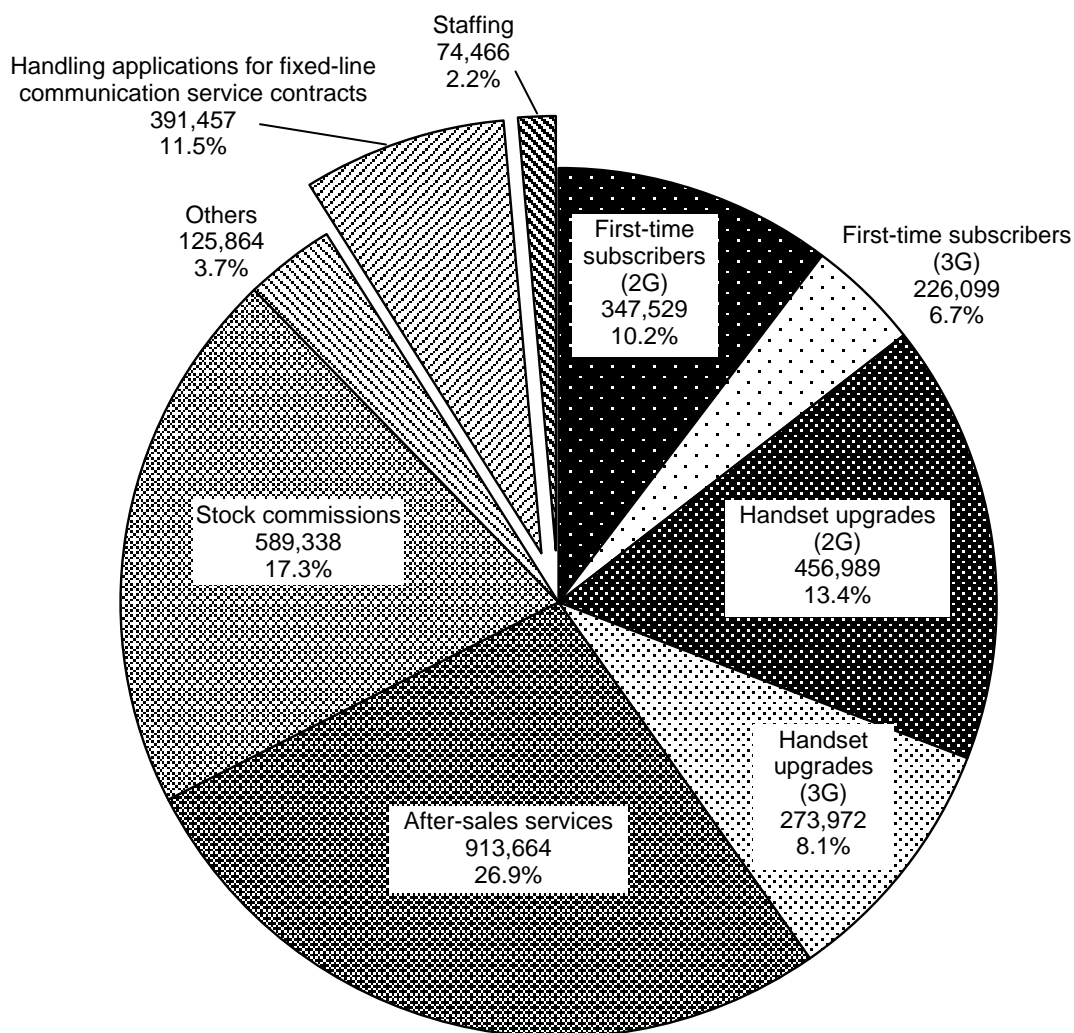
Account	FY2005 3Q (Jan.1 – Sep. 30, 2005)	FY2004 3Q (Jan. 1 – Sep. 30, 2004)	Change		FY2004 (Jan. 1 – Dec. 31, 2004)
	Amount	Amount	Amount	%	Amount
I Net sales	18,053,320	11,545,306	6,508,013	56.4	16,456,319
II Cost of goods sold	14,653,940	9,457,433	5,196,507	54.9	13,515,747
Gross profit	3,399,379	2,087,873	1,311,506	62.8	2,940,571
III Selling, general and administrative expenses	2,668,762	1,632,785	1,035,977	63.4	2,309,916
Operating income	730,616	455,088	275,528	60.5	630,655
IV Non-operating income	15,760	20,794	(5,034)	(24.2)	23,061
V Non-operating expenses	12,288	12,506	(218)	(1.7)	15,973
Ordinary income	734,089	463,376	270,712	58.4	637,743
VI Extraordinary income	-	249	(249)	-	3,500
VII Extraordinary loss	15,035	64,630	(49,594)	(76.7)	567,896
Income before income taxes	719,053	398,995	320,058	80.2	73,346
Income taxes	351,754	221,971	129,783	58.5	307,708
Net income (losses)	367,298	177,024	190,274	107.5	(234,361)

(Reference)

## 1. Composition of Consolidated Gross profit

The composition of consolidated gross profit for the nine months (January 1 – September 30, 2005) is as follows:

(Thousand yen)



# After-sales service: Commissions received from telecom carriers for services on consignment related to handset upgrades, service plan changes, repair and maintenance.

# Others: Prepaid mobile phones, accessories, etc.

(Reference)

## 2. Number of Mobile Phones Sold

Monthly unit sales for the nine months (January 1 – September 30, 2005) are summarized below.

(Units)

