

Consolidated Interim Financial Results for the Fiscal Year Ending December 2005

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
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 Tel: +81-(0) 3-3288-5211

Date of board meeting for approving consolidated financial results: August 9, 2005

Name of the parent company: Japan Business Development Inc. (Stock code: -)

Voting rights: 26.61%

SEC accounting standards: The Company does not apply SEC accounting standards

1. Consolidated Financial Results for the First Half Year Ended June 30, 2005 (Jan. 1, 2005 – Jun. 30, 2005)

(1) Results of Operations

Million yen, rounded down

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
First half year ended June 2005	11,484	64.6	367	41.6	371	37.9
First half year ended June 2004	6,977	0.5	259	(24.9)	269	(24.0)
Year ended December 2004	16,456	17.1	630	(2.5)	637	(1.3)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change %	Yen	Yen
First half year ended June 2005	165	129.3	2,590.29	2,580.81
First half year ended June 2004	72	(40.7)	1,123.75	1,110.81
Year ended December 2004	(234)	-	(3,655.66)	-

Notes:

1. Equity in earnings of non-consolidated subsidiaries and affiliates

First half year ended June 2005: -

First half year ended June 2004: -

Year ended December 2004: -

2. Weighted average number of shares outstanding (consolidated)

First half year ended June 2005: 63,845.79 shares

First half year ended June 2004: 64,179.84 shares

Year ended December 2004: 64,109.27 shares

3. Changes in accounting principles applied: Yes

4. 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) Financial Position

Million yen, rounded down

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of June 2005	6,389	3,091	48.4	48,895.83
As of June 2004	5,054	3,397	67.2	52,823.99
As of December 2004	6,837	3,053	44.7	47,786.63

Note: Number of shares outstanding (consolidated) at end of period

As of June 2005:	63,225.68 shares
As of June 2004:	64,310.68 shares
As of December 2004:	63,897.68 shares

(3) Cash Flows Position

Million yen, 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
First half year ended June 2005	(528)	(289)	(126)	1,383
First half year ended June 2004	253	(103)	(93)	2,160
Year ended December 2004	935	(580)	(130)	2,328

(4) Matters Concerning the Scope of Consolidation and the Application of the Equity Method

Consolidated subsidiaries:	3
Non-consolidated subsidiaries accounted for under the equity method:	0
Affiliates accounted for under the equity method:	0

(5) Changes in the Scope of Consolidation and Affiliates Accounted for Under the Equity Method

Consolidated subsidiaries

Newly:	1
Excluded:	0

Non-consolidated subsidiaries and affiliates accounted for under the equity method

Newly:	0
Excluded:	0

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

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

Reference: Estimated net income per common share for the year ending Dec. 2005: 6,326.54 yen

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 (Page 11) for details on business forecasts, and assumptions and other relevant factors on which they are based.

1. Corporate Group

The Bell-Park group of companies is made up of Bell-Park Co., Ltd. and three consolidated companies.

The group is engaged in three businesses: the mobile phone sales business, which mainly involves the sale of mobile phones; the network business, which mainly involves serving as an agent for the sale of service contracts for fixed-line, ADSL, fiber-to-the-home (FTTH) and other communication services; and the staffing services business, which mainly involves the provision of temporary employees to companies, and recruiting and training employees for other companies.

Business activities and the positioning of each company are as follows.

(1) Mobile phone sales business

Both Bell-Park and Nikka are engaged mainly in the following activities.

- 1) Accepts applications for mobile communication service contracts from new users as an agent of mobile communication carriers, and sales of mobile phones to users.
- 2) Accepts applications from current mobile communication service subscribers for a change to a new model of phone as an agent of mobile communication carriers, and sales of mobile phones to users.
- 3) Accepts applications from current mobile communication service subscribers for changes in subscription terms as an agent of mobile communication carriers.
- 4) Consignment sales of mobile phones and other devices through Bell-Park's secondary sales agents.
- 5) Outright sales of mobile phones and other devices to Bell-Park's secondary sales agents.

(2) Network business

Bell-Park is engaged in the following activities.

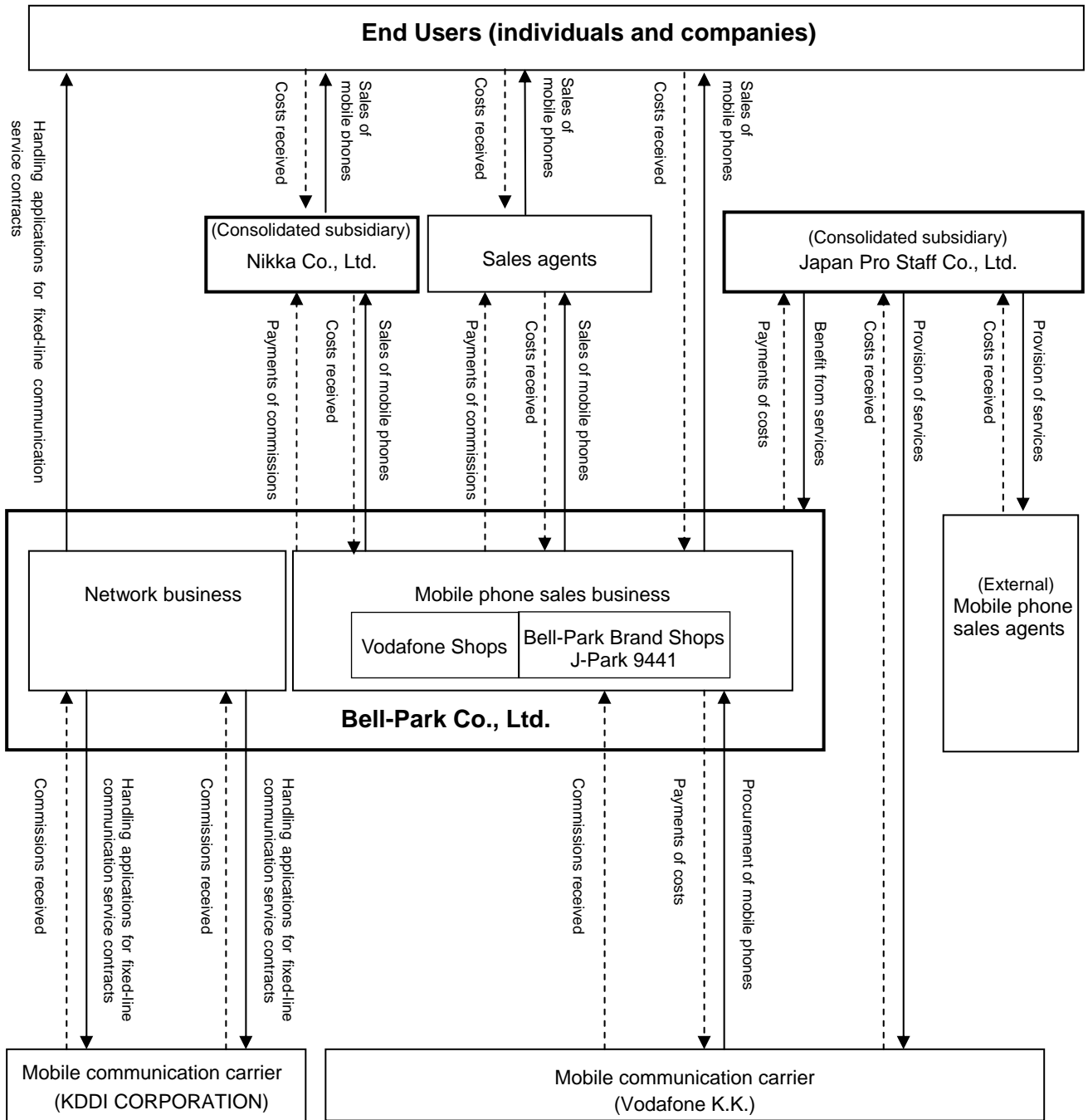
- 1) Accepts applications for fixed-line, ADSL, FTTH and other service contracts from new users as an agent of communication carriers.
- 2) Accepts applications for fixed-line, ADSL, FTTH and other service contracts from new users as an agent of sales agents.

(3) Staffing services business

Japan Pro Staff Co., Ltd., the consolidated subsidiary, is engaged in the following activities.

- 1) Supplies sales personnel with specialized knowledge to work at retail stores selling mobile communication products.
- 2) Trains sales personnel as an agent for mobile communication carriers operating retail stores selling mobile communication products.
- 3) Recruits employees for companies

A flowchart of business operations is shown below.



Note: There is one more consolidated subsidiary, but this company is not shown because it has no material impact on consolidated operations.

2.Management Policies

(1) Fundamental management policies

We strongly believe in our ability, potential and the possibilities of the future. We will continue to diligently pursue excellence by innovatively meeting the challenges and opportunities that arise. The goal is the mutual prosperity of customers, shareholders, vendors and all other stakeholders. Management is also committed to strictly observing all laws and regulations and, to preserve the trust of the public, conducting business operations that are fair and transparent in every respect.

(2) Fundamental policy regarding distribution of earnings

Bell-Park's policy is to return earnings to shareholders in a stable and consistent manner which reflecting the Group's operating results. Dividend payments will also take into consideration the need to maintain sufficient retained earnings to preserve financial soundness and support aggressive future business expansion. Retained earnings will be used mainly to expand the retail store network and to fund strategic investments in new fields of business.

(3) Position and policy regarding reduction in investment unit

Bell-Park views a reduction in the investment unit as an important capital policy issue from the standpoint of increasing the liquidity of its shares and the number of shareholders. The Company plans to carefully consider a reduction to make its shares more accessible to investors while taking into consideration the share price, trading volume and other factors.

The Company has taken the following actions in order to increase the liquidity of its shares and the number of shareholders.

3-for-1 stock split on February 20, 2002

3-for-1 stock split on February 20, 2004

As a result, the number of shareholders following below:

As of December 31, 2002:	1,041
As of December 31, 2003:	1,543
As of December 31, 2004:	3,564
As of June 30, 2005:	3,093

(4) Targeted performance indicators

The Company's medium- and long-term strategy is to expand and reinforce its mobile phone sales business. The Company is also dedicated to the steady growth of the network business and staffing services businesses, and to constantly developing new businesses.

To execute these strategies and generate new sources of growth, the Company believes that the reliable procurement of funds for investments is a key factor. Therefore, the performance indicator that is most important at the Company's current stage of development is the cash flow margin, which shows the degree to which the Company is able to generate stable cash flows from its core businesses. Regarding a specific target, Bell-Park is aiming for a margin of 5% for the time being.

Actual Cash flow margin in recent fiscal year:

	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
Net sales	6,977,942	11,484,467	16,456,319
Cash flows from operating activities	253,042	(528,217)	935,597
Cash flow margin (%)	3.6	-	5.7

Thousand yen

(5) Medium- and long-term strategies

The market for mobile communication phones is expected to benefit from even greater demand sparked by the full-scale use of third-generation (3G) mobile phone services. However, most of this demand will be for upgrading existing handsets because more than 60% of Japan's population already uses mobile phones. Significant growth in the number of new customers is therefore unlikely. Due to this situation, companies that sell mobile communication devices continue to face a difficult operating environment.

In response, the Bell-Park Group is taking steps to strengthen its mobile phone sales business, and to establish a new source of earnings. Specifically, the Group is leveraging the Company's strengths to expand the network business and the staffing services business, which is associated with the mobile phone sales business, as well as to constantly develop new businesses.

With regard to the sale of mobile communication phones, the Group's core business, the goal is to operate shops efficiently in order to maintain strong earnings amid a market that is expanding slowly. Regarding wholesale sales, the Group is working on increasing the number of sales channels while monitoring industry trends. In addition, plans call for bolstering sales to corporate users and other customer categories where the Group does not yet have a significant presence. Through these steps, the Group aims to benefit from demand created from the full-scale transition to 3G mobile phone technology.

The Group has leveraged its strengths to start a new operation; network business is proceeding on establishing a framework able to meet the needs of communication carriers. The objective is to develop this business into one of the Group's new sources of earnings.

In addition, the staffing and training business, the policy is to continue developing these services to offer staffing and training services that meet customer needs in fields outside the mobile communication sector.

(6) Key issues

As was noted earlier, operating conditions in the mobile phone sales industry are expected to remain challenging. In this environment, the Group is placing the highest priority on raising its profile as a winner in the core mobile phone sales business while establishing consistently profitable businesses in new fields of business.

In the Group's core mobile phone sales business, consistently generating earnings is the most important issue with regard to being one of the few winners in this industry. With these issues in mind, the Group is concentrating on enhancing skills of store personnel and taking other steps to further upgrade the operations of stores to prepare for the full-scale acceptance of 3G mobile phones. The Group is also seeking opportunities to expand its store network through mergers, acquisitions and internal growth, all while preserving an adequate return on investment.

The Group is engaged in two new businesses. The first is the network business, in which the Group serves as a sales agent for the fixed-line and other services of communication carriers. Here, the key issue is creating a consistently profitable operating framework. The other business is staffing services, in which the Group supplies workers and training services. The key issue in this business is also building a platform capable of consistently generating earnings.

(7) Measures regarding corporate governance and status of measures taken (Fundamental position regarding corporate governance)

The Company positions the enhancement of corporate governance as an important management issue with regard to executing fundamental management policies. For this purpose, the Company is increasing the efficiency, soundness and transparency of its management framework.

(Status of measures regarding corporate governance)

1) Management frameworks for management decision-making, execution of businesses, auditing and other corporate governance frameworks

[Corporate auditors]

Bell-Park employs the corporate auditor system. The Company believes that this system provides a suitable and sufficient auditing function.

Board of Auditors consists of three outside auditors, and one is employed by the Company. Our corporate auditors have no fixed staff.

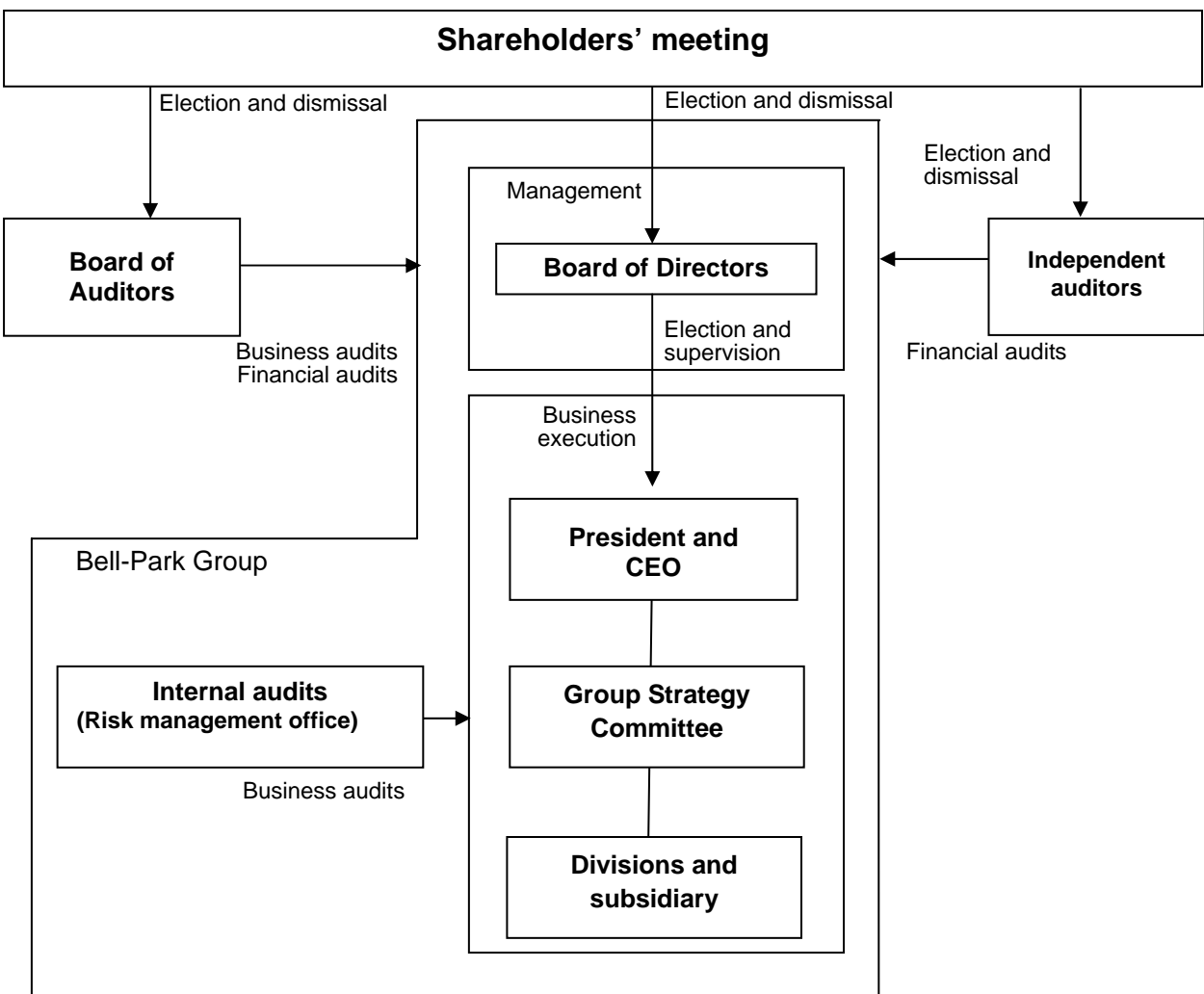
[External director]

The Company has two external directors. By participating in management from an objective standpoint, external directors provide for the effective supervision of the Company's management. Our external directors have no fixed staff.

[Internal audit]

At Bell-Park, the Risk Management Office is responsible for internal audits. The main objectives of audits are constantly reviewed and strengthened to reflect changes in the operating environment.

The framework for the execution of business activities, audits and internal controls is as follows.



2) Participation in corporate governance by attorneys, independent accountants and other external parties
 The Company receives advice as needed from attorneys and independent accountants, and has selected this attorney to serve as its outside auditors.

Bell-Park's independent accountant is ChuoAoyama Audit Corp. The Company receives advice from this company as necessary, but the independent accountant is not involved in the Company's corporate governance.

3) Personal, financial, business and other significant relationships with external directors and outside auditors
The Company has no significant personal, financial or business relationships with its external directors. The Company receives legal advice, as required, from the law office to which its outside auditor belongs.

4) Actions to strengthen corporate governance during past year
The Company reviewed management methods and operating systems for the purpose of reinforcing its internal management framework for the protection of personal information.

(8) Other significant management issues
No reportable information.

3. Results of Operations and Financial Position

(1) Results of operations

Summary of the interim period:

During the first half of 2005, Japan's economy benefited from the ongoing improvement in corporate earnings. Consumer spending, which has a significant impact on the Group's operating results, was relatively healthy, although there were some signs of weakness.

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, interim net sales was 11,484 million yen (164.6%, compared to the previous year), operating income was 367 million yen (141.6%), ordinary income was 371 million yen (137.9%), and net income was 165 million yen (229.3%).

Results by business segment were as follows. As Bell-Park is announcing business segment results for the first time in the first half of 2005, no prior-year comparisons are shown.

[Mobile phone sales business]

Mobile phone sales agents in Japan 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. Vodafone, the primary supplier of mobile phones sold by Bell-Park, began the full-scale introduction of 3G handsets late in 2004. However, Vodafone has fallen behind competitors DoCoMo and au because of delays in extending geographic coverage, complaints concerning new Vodafone handsets and other problems. As a result, there has been a steady decline in the number of Vodafone's existing and new subscribers over the six-month period beginning in December 2004. At the same time, Vodafone has been kept busy responding to customer complaints. This has created an extremely difficult situation for Vodafone's affiliated sales agents.

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 first-half results by accurately targeting replacement demand and after-sales service demand in line with the Company's strategy. In addition, there is a growing need for even better trained store personnel due to the increasing complexity of mobile phone services. By placing even greater emphasis on employee training, the Company raised to 142 (50% of sales personnel at all Company shops) the number of individuals with official Vodafone certification. By enhancing employee training through these and other measures, the Company upgraded the sales capabilities of its shops and executed a sales strategy that shielded stores 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 first half of 2005, consolidated segment sales totaled 10,876 million yen and operating income was 685 million yen.

[Network business]

In the fixed-line communication service sector, JAPAN TELECOM and KDDI announced fixed-line telephone services late in 2004 that have lower basic fees than the existing service offered by NTT. These developments have sparked competition based on the provision of new services.

Viewing these developments as a new business opportunity, the Group started the network business in January 2005. The Group is placing priority on gaining an understanding of the products of every carrier and establishing the ideal sales channel for each product. By forming a highly efficient sales framework in this manner, the Group worked on expanding its sales agency business for these products.

Due to these actions, this segment posted sales of 284 million yen and an operating loss of 104 million yen in the first half of 2005.

[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 first half of 2005, segment sales totaled 361 million yen and there was an operating loss of 34 million yen.

(2) Financial position

Cash flows:

There was a decrease of 776 million yen in cash and cash equivalents to 1,383 million yen compared with June 30, 2004.

Net cash used in operating activities was 528 million yen (compared with net cash provided of 253 million yen in 2004). Major sources of cash were income before income taxes of 356 million yen, decrease in account receivables of 79 million yen. Major uses of cash were an increase 354 million yen in inventories, a decrease 387 million yen in accrued expenses, and a 304 million yen in income taxes paid.

Net cash used in investing activities was 289 million yen (compared with net cash used of 103 million yen in 2004). There were payments of 115 million yen from the sale of property, plant and equipment, and a 100 million yen of payment for purchase of investment securities.

Net cash used in financing activities was 126 million yen (compared with net cash used of 93 million yen in 2004). The main uses of cash were 63 million yen for the purchase of treasury stock and 63 million yen for cash dividends paid.

Trends in cash flow indicators were as follows:

	Interim FY2003	Interim FY2004	Interim FY2005	FY2003	FY2004
Shareholders' equity ratio (%)	65.2	67.2	48.4	62.6	44.7
Shareholders' equity ratio at market cap (%)	68.9	118.5	91.9	43.4	74.8
Years of debt amortization (years)	-	-	-	-	-
Interest coverage ratio (times)	149.1	251.9	-	219.1	424.3

The shareholders' equity ratio is calculated by dividing shareholders' equity by total assets.

The shareholders' equity ratio at market cap is calculated by dividing market capitalization by total assets.

The years of debt amortization is calculated by dividing interest-bearing debt by operating cash flows.

The interest coverage ratio is calculated by dividing operating cash flows by interest expenses.

* All of the above indicators are calculated using figures from the consolidated financial statements.

* Operating cash flow: Net cash used in operating activities reported on the statement of cash flow.

Interest in the calculation of the interest-coverage ratio: Based on interest paid reported on statements of income.

* Interest coverage ratio is not listed for the first half year ended June 30, 2005, because operating cash flows were negative.

(3) Outlook for full year

In the second half of 2005, Japan's economy is expected to continue recovering as household incomes improve as companies report strong earnings. A steady rebound in the global economy is also contributing to Japan's recovery.

In this environment, companies that sell mobile phones cannot count on rapid growth in new contracts as in the past. However, the transition to 3G services is gaining momentum. Consequently, Bell-Park believes that there will be growth in demand during 2005 that is fueled chiefly by sales of handsets to replace existing ones.

In the mobile phone sales business, the Group will continue to work on improving earnings at shops added through acquisitions and other means. Another key theme is targeting demand created by the introduction of new mobile phone models by Vodafone during the year-end selling season.

In the network business, the Group will focus on developing this business with the aim of creating a consistently profitable operating framework.

In the staffing services business, the goal is further increasing sales and earnings through the provision of mobile phone sales personnel, and the provision of sales assistants to high-volume retail stores.

Based on this outlook, Bell-Park is forecasting consolidated net sales of 24,000 million yen (145.8%, compared to the previous year), ordinary income of 850 million yen (133.3%) and net income of 400 million yen in the fiscal year ending December 2005.

(4) Risk factors concerning business operations and other items

The following is a list of the primary items that represent risks with regard to Bell-Park's business activities. The Company discloses all items that it believes are significant with regard to investment decisions, including items that do not represent business-related risks. However, investors should be aware that this is not a complete risk of risks that can affect operating results.

[Mobile phone sales business]

1) Reliance on a particular vendor

Vodafone accounts for 100% of the products that Bell-Park purchases and sells. Consequently, the operating results of the Company are highly vulnerable to changes in procurement terms, commissions and other transaction terms of Vodafone, the introduction of new products and services by this company, and business outlook of Vodafone.

2) Sales agent contract

The Company operates Vodafone shops on the basis of a sales agent contract with Vodafone. This contract is automatically renewed each year, but can be cancelled at any time. Therefore, there is a risk that the sales agent contract may be cancelled.

3) Shop opening plans

The opening of Vodafone shops is determined by the strategies of Vodafone. Therefore, changes in Vodafone's strategies can affect the Company's plans for new shops and its results of operations.

4) Sale of mobile phones

In the mobile phone retailing business, the number of new subscribers is falling as Japan's penetration rate climbs. Furthermore, handset life cycles are short and prices can easily drop because of the steady stream of new products incorporating new functions and other forms of added value.

5) Commissions received from mobile communication carriers

Bell-Park receives commissions from mobile communication carriers for acting as their agent in the sale of mobile communication service contracts. Depending on changes in the business policies of these carriers, there may be revisions in terms affecting these commissions, such as the amount paid, period over which commissions are paid, services for which commissions are paid, discounts for calling charges and other items. A major change in these terms could have a significant impact on the Company's results of operations.

6) Competition with other mobile phone retailers

New products and services are constantly emerging due to technological progress in the mobile communication industry. There are a large number of primary sales agents throughout Japan that have sales agent contracts with carriers as Bell-Park does. Furthermore, the rising penetration rate of mobile phones is reducing sales to new subscribers. These trends indicate that the Company and other mobile phone retailers will face an increasingly competitive environment. This competition could lower the Company's profit margins and have other negative effects on results of operations.

[Network business]

1) Information concerning sales outsourcing contracts

Bell-Park has sales outsourcing contracts with KDDI and other communication carriers to act as a sales agent for service contracts for fixed-line, ADSL, FTTH and other services. Although these contracts cover a period of three years, the Group is exposed to the risk of contract cancellations because companies have the right to terminate a contract prior to its completion.

2) Commissions received from mobile communication carriers

Bell-Park receives commissions from communication carriers for its services as a sales agent for service contracts for the fixed-line, ADSL, FTTH and other services provided by these carriers. Depending on changes in the business policies of these carriers, there may be revisions in terms affecting these commissions, such as the amount paid, period over which commissions are paid, and other items. A major change in these terms could have a significant impact on the Company's results of operations.

3) Competition with other mobile phone retailers

New products and services are constantly emerging due to technological progress in the fixed-line and Internet communication service industry. There are a large number of primary sales agents throughout Japan that have sales agent contracts with carriers as Bell-Park does. Furthermore, the rising penetration rate of mobile phones is reducing sales to new subscribers. These trends indicate that the Company and other mobile phone retailers will face an increasingly competitive environment. This competition could lower the Company's profit margins and have other negative effects on results of operations.

[Customer information]

Bell-Park takes steps to maintain an internal management system for customer information. However, in the event of an inadvertent leak of customer information, there could be an adverse impact on the Company's financial condition and operating results due to erosion in public confidence or a requirement to pay financial damages. In addition, there may be an increase in expenses required to establish a customer information protection system in the future.

(5) Plans for proceeds from public offering at market price and actual use of proceeds

On May 25, 2000, Bell-Park procured 1,770 million yen, net of expenses, through a public offering of newly issued stock sold at the market price. The following is a summary of the plan for the use of these proceeds and the actual use.

[Plan for Use of Proceeds]

Net proceeds of approximately 1,770 million yen were planned to be used as follows: 372 million yen for capital expenditures for shops and other requirements; 173 million yen for working capital; and 1,225 million yen for investments, loans and acquisitions of companies and businesses.

[Actual Use of Proceeds]

There were some revisions to the above plan. As a result, 450 million yen was used for capital expenditures at shops and other requirements, and 1,320 million yen was used for investments, loans and acquisitions of companies and businesses.

4. Interim Consolidated Financial Statements

(1) Interim Consolidated Financial Statements

1) Interim Consolidated Balance Sheets

Account	*	Interim FY2004 (As of June 30, 2004)		Interim FY2005 (As of June 30, 2005)		FY2004 (As of Dec. 31, 2004)	
		Thousand yen	%	Thousand yen	%	Thousand yen	%
Assets							
I. Current assets							
1. Cash on hand and in banks		2,160,662		1,383,903		2,328,908	
2. Accounts receivable - trade and accounts receivable - other		1,337,513		2,129,874		2,209,836	
3. Inventories		590,425		1,413,471		1,059,253	
4. Other current assets		133,305		181,295		199,125	
Allowance for doubtful accounts		(666)		(306)		(177)	
Total current assets		4,221,240	83.5	5,108,237	80.0	5,796,946	84.8
II. Fixed assets							
1. Property, plant and equipment	*1						
(1) Buildings		126,005		195,371		170,631	
(2) Others		33,528		98,949		45,204	
Total property, plant and equipment		159,533	3.2	294,321	4.6	215,835	3.1
2. Intangible assets		13,736	0.3	27,931	0.4	12,114	0.2
3. Investments and other assets							
(1) Investment securities		35,000		100,477		-	
(2) Leasehold deposits		396,498		636,922		588,811	
(3) Others		232,019		223,064		227,200	
Allowance for doubtful accounts		(3,484)		(1,895)		(3,609)	
Total investments and other assets		660,033	13.0	958,569	15.0	812,402	11.9
Total fixed assets		833,303	16.5	1,280,822	20.0	1,040,352	15.2
Total assets		5,054,544	100.0	6,389,060	100.0	6,837,298	100.0

Account	*	Interim FY2004 (As of June 30, 2004)		Interim FY2005 (As of June 30, 2005)		FY2004 (As of Dec. 31, 2004)	
		Thousand yen	%	Thousand yen	%	Thousand yen	%
Liabilities							
I. Current liabilities							
1. Accounts payable - trade and accounts payable - other		1,069,465		2,233,952		2,278,854	
2. Reserve for employees' bonuses		32,148		48,908		35,811	
3. Allowance for early subscription cancellations		18,863		81,205		36,305	
4. Other current liabilities		469,825		850,219		1,353,751	
Total current liabilities		1,590,302	31.5	3,214,286	50.3	3,704,722	54.2
II. Long-term liabilities							
1. Liability for employees' retirement benefits		16,293		25,811		24,309	
2. Other long-term liabilities		50,801		57,489		54,811	
Total long-term liabilities		67,094	1.3	83,300	1.3	79,120	1.1
Total liabilities		1,657,397	32.8	3,297,587	51.6	3,783,843	55.3
Shareholders' equity							
I. Common stock							
II. Capital surplus		1,536,044	30.4	1,539,443	24.1	1,539,443	22.5
III. Retained earnings		849,041	16.8	644,039	10.1	542,557	8.0
IV. Net unrealized holding gain on securities		-	-	283	0.0	-	-
V. Treasury stock		(69,576)	(1.4)	(177,329)	(2.8)	(113,581)	(1.7)
Total shareholders' equity		3,397,146	67.2	3,091,472	48.4	3,053,454	44.7
Total liabilities and shareholders' equity		5,054,544	100.0	6,389,060	100.0	6,837,298	100.0

2) Interim Consolidated Statements of Income

Account	*	Interim FY2004 (Jan. 1 – Jun. 30, 2004)		Interim FY2005 (Jan. 1 – Jun. 30, 2005)		FY2004 (Jan. 1 – Dec. 31, 2004)				
		Thousand yen	%	Thousand yen	%	Thousand yen	%			
I. Net sales			6,977,942	100.0		11,484,467	100.0		16,456,319	100.0
II. Cost of goods sold			5,638,102	80.8		9,361,082	81.5		13,515,747	82.1
Gross profit			1,339,839	19.2		2,123,385	18.5		2,940,571	17.9
III. Selling, general and administrative expenses	*1		1,080,261	15.5		1,755,917	15.3		2,309,916	14.0
Operating income			259,577	3.7		367,467	3.2		630,655	3.9
IV. Non-operating income										
1. Interest income		10			13			21		
2. Income from rentals		5,107			4,206			9,313		
3. Income tax refunds		3,996			-			3,996		
4. Payments on termination of insurance policies		5,598			-			5,598		
5. Other non-operating income		3,281	17,994	0.3	7,730	11,950	0.1	4,131	23,061	0.1
V. Non-operating expenses										
1. Interest expenses		1,004			777			2,205		
2. Leasing expenses		3,584			5,377			8,961		
3. New stock issue expenses		1,173			-			-		
4. Other non-operating expenses		2,307	8,070	0.1	1,526	7,681	0.1	4,806	15,973	0.1
Ordinary income			269,500	3.9		371,736	3.2		637,743	3.9
VI. Extraordinary income										
1. Gain on sale of investment securities		-	-	-	-	-	-	3,500	3,500	0.0
VII. Extraordinary loss										
1. Loss on sale of fixed assets	*2	1,102			-			3,257		
2. Loss on removal of fixed assets	*3	6,317			7,881			25,848		
3. Accrued directors' severance benefits		-			-			17,400		
4. Amortization of goodwill		51,428			-			51,428		
5. Amortization of consolidated goodwill		-			-			467,195		
6. Shop closures expense		-			7,154			-		
7. Other extraordinary loss		2,360	61,209	0.9	-	15,035	0.1	2,767	567,896	3.4
Income before income taxes			208,291	3.0		356,700	3.1		73,346	0.5
Income taxes - current		92,007			205,761			278,405		
Income taxes - deferred		44,162	136,169	2.0	(14,440)	191,321	1.7	29,303	307,708	1.9
Net income			72,122	1.0		165,379	1.4		(234,361)	(1.4)

3) Interim Consolidated Statements of Retained Earnings

Account	*	Interim FY2004 (Jan. 1 – Jun. 30, 2004)		InterimFY2005 (Jan. 1 – Jun. 30, 2005)		FY2004 (Jan. 1 – Dec. 31, 2004)	
		Thousand yen		Thousand yen		Thousand yen	
Capital surplus							
I. Capital surplus at beginning of year			1,528,708		1,539,443		1,528,708
II. Increase in capital surplus							
1. New stock issue for the exercise of stock options		7,335	7,335	-	-	10,734	10,734
III. Capital surplus at end of period			1,536,044		1,539,443		1,539,443
Retained earnings							
I. Retained earnings at beginning of year			885,782		542,557		885,782
II. Increase in retained earnings							
1. Net income		72,122	72,122	165,379	165,379	-	-
III. Decrease in retained earnings							
1. Cash dividends		106,862		63,897		106,862	
2. Directors' bonuses		2,000		-		2,000	
3. Net loss		-	108,862	-	63,897	234,361	343,224
IV. Retained earnings at end of period			849,041		644,039		542,557

4) Interim Consolidated Statements of Cash Flows

	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
Account	Thousand yen	Thousand yen	Thousand yen
I. Cash flows from operating activities			
Income before income taxes	208,291	356,700	73,346
Depreciation and amortization	14,941	29,675	32,701
Amortization of goodwill	51,428	2,886	51,428
Amortization of consolidated goodwill	-	-	467,195
Increase (decrease) in allowance for doubtful accounts	2,192	(1,585)	1,828
Increase (decrease) in reserve for employees' bonuses	3,047	13,096	(13,112)
Increase (decrease) in allowance for early subscription cancellations	6,266	44,900	19,808
Increase (decrease) in liability for employees' retirement benefits	422	1,502	3,349
Increase (decrease) in accrued directors' severance benefits	(42,019)	-	(42,019)
Interest and dividend income	(10)	(13)	(21)
Interest expenses	1,004	777	2,205
Loss on sale and removal of fixed assets	7,420	7,881	29,105
Decrease (Increase) in account receivables	120,494	79,961	(472,339)
Decrease (Increase) in inventories	207,260	(354,218)	(147,632)
Increase (decrease) in account payables	(516,474)	(44,901)	479,670
Increase (decrease) in accrued payables	-	(387,881)	-
Payment of bonuses to directors	(2,000)	-	-
Others	29,542	28,580	289,907
Subtotal	91,809	(222,637)	775,423
Interest and dividends received	10	13	21
Interest paid	(1,004)	(777)	(2,205)
Income taxes refund (paid)	162,227	(304,816)	162,358
Net cash provided by (used in) operating activities	253,042	(528,217)	935,597
II. Cash flows from investing activities			
Payment for purchase of investment securities	(35,000)	(100,000)	(35,000)
Proceeds from sale of investment securities	-	-	38,500
Payment for purchase of property, plant and equipment	(36,068)	(115,662)	(105,640)
Proceeds from sale of property, plant and equipment	250	-	500
Payment for purchase of subsidiary stock involving changes in the scope of consolidation	-	-	(419,733)
Payment for purchase of business	(51,428)	(19,047)	(51,428)
Others	18,845	(55,104)	(7,700)
Net cash provided by (used in) investing activities	(103,402)	(289,815)	(580,503)
III. Cash flows from financing activities			
Proceeds from issuance of new stock	13,497	-	20,295
Payment for purchase of treasury stock	-	(63,747)	(44,005)
Cash dividends paid	(106,862)	(63,224)	(106,862)
Net cash provided by (used in) financing activities	(93,364)	(126,972)	(130,572)
IV. Net increase in cash and cash equivalents	56,275	(945,005)	224,521
V. Cash and cash equivalents at beginning of period	2,104,387	2,328,908	2,104,387
VI. Cash and cash equivalents at end of period	2,160,662	1,383,903	2,328,908

Significant Accounting Policies in the Preparation of Interim Consolidated Financial Statements

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
1. Principles of consolidation	<p>Number of consolidated subsidiary: 1</p> <p>Name of consolidated subsidiary: - J-PHONE SERVICE Co., Ltd.</p>	<p>Number of consolidated subsidiaries: 3</p> <p>Name of consolidated subsidiaries: - Japan Pro Staff Co., Ltd. - Nikka Co., Ltd. - Upward Mobility Co., Ltd.</p> <p>Effective the current interim period, Upward Mobility Co., Ltd. is consolidated due to establishment.</p>	<p>Number of consolidated subsidiaries: 2</p> <p>Name of consolidated subsidiaries: - J-PHONE SERVICE Co., Ltd. - Nikka Co., Ltd.</p> <p>Effective the current fiscal year, Nikka Co., Ltd., converted into a subsidiary through acquisition of stock, is included in the consolidation. J-Phone Service Co., Ltd. was renamed Japan Pro-Staff Co., Ltd. on January 1, 2005.</p>
2. Period end of consolidated subsidiaries	The consolidated subsidiary's interim period ends on the closing date for consolidated interim financial statements.	Same as on the left.	The consolidated subsidiary's fiscal year ends on the closing date for consolidated financial statements.
3. Significant accounting policies (1) Valuation criteria and methods for principal assets	<p>1) Securities Other securities Securities with market quotations -</p> <p>Securities without market quotations Securities without market quotations are stated at cost, cost being determined by the moving-average method.</p> <p>2) Inventories Merchandise Inventories are stated at cost determined primarily by the moving-average method. Supplies Supplies are stated at cost, cost being determined by the last purchase price method.</p>	<p>1) Securities Other securities Securities with market quotations Securities with market quotations are carried at fair value on the balance sheet date. Changes in unrealized holding gain or loss are included directly in shareholders' equity. The cost of securities sold is determined by the moving-average method.</p> <p>Securities without market quotations Same as on the left.</p> <p>2) Inventories Merchandise Same as on the left.</p> <p>Supplies Same as on the left.</p>	<p>1) Securities Other securities Securities with market quotations -</p> <p>Securities without market quotations Same as on the left.</p> <p>2) Inventories Merchandise Same as on the left.</p> <p>Supplies Same as on the left.</p>

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)																								
(2) Depreciation and amortization of significant depreciable assets	<p>1) Property, plant and equipment Declining-balance method. The Company computes depreciation on buildings (excluding fixtures) by the straight-line method. Useful life of principle assets is as follows:</p> <table border="0" data-bbox="387 488 738 607"> <tr> <td>Buildings:</td> <td>3-24 years</td> </tr> <tr> <td>Structures:</td> <td>10-20 years</td> </tr> <tr> <td>Vehicles:</td> <td>2 years</td> </tr> <tr> <td>Furniture & Fixtures:</td> <td>2-15 years</td> </tr> </table>	Buildings:	3-24 years	Structures:	10-20 years	Vehicles:	2 years	Furniture & Fixtures:	2-15 years	<p>1) Property, plant and equipment Same as on the left. The Company computes depreciation on buildings (excluding fixtures) by the straight-line method. Useful life of principle assets is as follows:</p> <table border="0" data-bbox="754 488 1106 607"> <tr> <td>Buildings:</td> <td>3-24 years</td> </tr> <tr> <td>Structures:</td> <td>10-20 years</td> </tr> <tr> <td>Vehicles:</td> <td>2-6 years</td> </tr> <tr> <td>Furniture & Fixtures:</td> <td>2-15 years</td> </tr> </table>	Buildings:	3-24 years	Structures:	10-20 years	Vehicles:	2-6 years	Furniture & Fixtures:	2-15 years	<p>1) Property, plant and equipment Same as on the left. The Company computes depreciation on buildings (excluding fixtures) by the straight-line method. Useful life of principle assets is as follows:</p> <table border="0" data-bbox="1121 488 1473 607"> <tr> <td>Buildings:</td> <td>3-24 years</td> </tr> <tr> <td>Structures:</td> <td>10-20 years</td> </tr> <tr> <td>Vehicles:</td> <td>2-6 years</td> </tr> <tr> <td>Furniture & Fixtures:</td> <td>2-15 years</td> </tr> </table>	Buildings:	3-24 years	Structures:	10-20 years	Vehicles:	2-6 years	Furniture & Fixtures:	2-15 years
	Buildings:	3-24 years																									
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<p>2) 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. Goodwill recorded during the period was amortized in a lump sum.</p>	<p>2) 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 period was amortized for 3 years by the straight-line method. (Changes in accounting principles) In prior periods, goodwill was amortized lump sum as accrued. Effective from the current consolidated interim period, goodwill is amortized by the straight-line method over a period of three years. The above change in the accounting policy is in keeping with the expected revisions to the corporate accounting standards and aims at normalizing period income by more reasonably reflecting the impact of investment on operating results. The effect of this change in the accounting policy was to reduce the operating income and ordinary income by 2,886 thousand yen each and increase the income before income taxes by 16,161 thousand yen, compared to the amounts that would have been reported if the previous accounting standards had been applied consistently.</p>	<p>2) 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 period was amortized in a lump sum.</p>																									
<p>3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	<p>3) Long-term prepaid expenses Same as on the left.</p>	<p>3) Long-term prepaid expenses Same as on the left.</p>																									

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
(3) 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 interim 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 mobile phone users cancel 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>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 interim period balance sheet date.</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 interim period pursuant to the Company's rules on directors' retirement benefits.</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 and subsidiaries refund subscription commission to the telecom carrier, with which it has agency or a sales outsourcing agreement, if mobile/fixed-line phone users cancel 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>4) Liability for employees' retirement benefits Same as on the left.</p> <p>5) -</p>	<p>1) Allowance for doubtful accounts Same as on the left.</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 fiscal year.</p> <p>3) Allowance for early subscription cancellations The Company and subsidiaries refund subscription commission to the telecom carrier, with which it has an agency agreement, if mobile phone users cancel 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>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 Previously, to provide for the accrued directors' severance benefits, the Company provided an allowance for the aggregate amount payable at the end of year pursuant to the Company's rules on directors' retirement benefits.</p>

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
	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.		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.
(4) Other significant accounting policies in the preparation of consolidated financial statements	1) Accounting for consumption taxes All amounts stated are exclusive of national and local consumption taxes.	1) Accounting for consumption taxes Same as on the left.	1) Accounting for consumption taxes All amounts stated are exclusive of consumption taxes.
4. Scope of cash and cash equivalents on consolidated statements of cash flows	For the purpose of consolidated statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of 3 months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.	Same as on the left.	For the purpose of consolidated statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of 3 months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.

Reclassifications

Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)
-	(Consolidated Statements of Income) Effective from the current interim period "Shop closures expense", presented as a component of "Other extraordinary loss" account for the previous interim period, are reclassified and presented as a separate item since the "Shop closures expense" exceeded 10% of "Extraordinary loss" at the end of the current interim period. "Shop closures expense" totaled 2,360 thousand yen at the end of the previous interim period.
-	(Consolidated Statements of Cash Flows) "Increase (decrease) in accrued payables," included in "Others" under "Cash flows from operating activities" in the prior interim period, is reclassified and presented as a separate line item, given the increase in the materiality of impact in the context of the consolidated financial statements. In the prior interim period, "Increase (decrease) in accrued payables," included in "Others" amounted to 8,992 thousand yen.

Supplementary Information

Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
-	(Method for displaying the pro forma portion of corporate taxes in the consolidated statements of income) The Accounting Standards Board of Japan released on February 13, 2004 its Practical Response Report No. 12 “Practical handling of the display of the pro forma portion of corporate taxes in income statements.” In line with this report, we have included 7,526 thousand yen from the added value and capital portion of income taxes in selling, general, and administrative expenses, starting from the current interim period.	-

Notes to Interim Consolidated Financial Statements

Notes to Interim Consolidated Balance Sheets

Thousand yen

Interim FY2004 (As of Jun. 30, 2004)	Interim FY2005 (As of Jun. 30, 2005)	FY2004 (As of Dec. 31, 2004)
*1 Accumulated depreciation of property, plant and equipment 98,398	*1 Accumulated depreciation of property, plant and equipment 128,530	*1 Accumulated depreciation of property, plant and equipment 103,490

Notes to Interim Consolidated Statements of Income

Thousand yen

Interim FY2004 (Jan. 1 - Jun. 30, 2004)	Interim FY2005 (Jan. 1 - Jun. 30, 2005)	FY2004 (Jan. 1 - Dec. 31, 2004)
*1 Significant components of selling, general and administrative expenses	*1 Significant components of selling, general and administrative expenses	*1 Significant components of selling, general and administrative expenses
Wages and allowances 286,074	Wages and allowances 478,624	Wages and allowances 625,015
Miscellaneous wages 162,795	Miscellaneous wages 187,174	Miscellaneous wages 312,690
Rent 161,437	Rent 253,394	Rent 341,167
Provision of reserve for employees' bonuses 30,837	Provision of reserve for employees' bonuses 50,093	Provision of reserve for employees' bonuses 37,108
Retirement benefit expenses 5,043	Retirement benefit expenses 5,322	Retirement benefit expenses 11,647
*2 Significant components of loss on sale of fixed assets	*2 -	*2 Significant components of loss on sale of fixed assets
Buildings 1,102		Buildings 3,257
Total 1,102		Total 3,257
*3 Significant components loss on removal of fixed assets	*3 Significant components loss on removal of fixed assets	*3 Significant components loss on removal of fixed assets
Buildings 5,927	Buildings 6,802	Buildings 23,695
Furniture & fixture 390	Furniture & fixture 1,079	Furniture & fixture 995
Total 6,317	Total 7,881	Software 766
		Trademarks 390
		Total 25,848

Notes to Interim Consolidated Statements of Cash Flows

Thousand yen

Interim FY2004 (Jan. 1 - Jun. 30, 2004)	Interim FY2005 (Jan. 1 - Jun. 30, 2005)	FY2004 (Jan. 1 - Dec. 31, 2004)
Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the period is made as follows: (As of Jun. 30, 2004)	Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the period is made as follows: (As of Jun. 30, 2005)	Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the period is made as follows: (As of Dec. 31, 2004)
Cash on hand and in banks 2,160,662	Cash on hand and in banks 1,383,903	Cash on hand and in banks 2,328,908
Cash and cash equivalents 2,160,662	Cash and cash equivalents 1,383,903	Cash and cash equivalents 2,328,908

Leases

No reportable information.

Securities

Interim FY2004 (As of Jun. 30, 2004):

1. Securities without market quotations

Thousand yen

	Carrying value
Other securities	
Non-listed securities (excluding over-the-counter)	35,000

Interim FY2005 (As of Jun. 30, 2005):

1. Securities with market quotations classified as "Other securities"

Thousand yen

	Acquisition cost	Carrying value	Valuation gain (loss)
Other securities	100,000	100,477	477

2. Securities without market quotations

Thousand yen

	Carrying value
Other securities	
Non-listed securities (excluding over-the-counter)	-

FY2004 (As of Dec. 31, 2004):

1. Securities without market quotations

Thousand yen

	Carrying value
Other securities	
Non-listed securities (excluding over-the-counter)	-

Derivatives

Interim FY2004 (Jan. 1 - Jun. 30, 2004), Interim FY2005 (Jan. 1 - Jun. 30, 2005), and FY2004 (Jan. 1 - Dec. 31, 2004):
No reportable information. The Group did not have derivative transactions.

Segment Information

Operating segment information

Interim FY2004 (Jan. 1 - Jun. 30, 2004) and FY2004 (Jan. 1 - Dec. 31, 2004):

Operating segment information is not presented since mobile phone sales division accounted for more than 90% of total sales and operating income.

Interim FY2005 (Jan. 1 - Jun. 30, 2005):

Thousands yen

	Mobile phone sales business	Network business	Staffing services business	Total	Elimination or corporate	Consolidated
Sales and operating income						
Sales						
(1) Sales to third parties	10,876,243	284,134	324,090	11,484,467	-	11,484,467
(2) Internal sales and transfers	-	-	37,127	37,127	(37,127)	-
Total	10,876,243	284,134	361,217	11,521,594	(37,127)	11,484,467
Operating expenses	10,191,115	388,556	395,892	10,975,564	141,435	11,117,000
Operating income	685,127	(104,422)	(34,674)	546,030	(178,562)	367,467

Notes:

- Operating segments are classified on the basis of products, the type and nature of services.
- Principal products and services in each operating segment are as follows:
 - Mobile phone sales business: Mobile phone sales and accepting applications for mobile phone service
 - Network business: Handling applications for fixed-line communication service contracts
 - Staffing services business: Provision of temporary employees to companies, and recruiting and training employees for other companies
- Among operating expenses, the undistributed operating expenses listed under "Eliminations or corporate" amounted to 184,562 thousand yen. The undistributed operating expenses generally comprise expenses associated with the administrative departments of the Company.
- Operating segment information is not provided for prior periods since the share of the mobile phones sales business segment exceeded 90% each of the combined sales and operating income of all segments. Effective the current interim period, the network business segment is presented as a separate line item since the segment's operating loss exceed 10% of the combined operating income of all segments.

Geographical Segment Information

Interim FY2004 (Jan. 1 - Jun. 30, 2004), Interim FY2005 (Jan. 1 - Jun. 30, 2005), and FY2004 (Jan. 1 - Dec. 31, 2004):

Geographic segment information is not presented since the Companies did not have consolidated subsidiaries in areas other than Japan.

Overseas Sales

Interim FY2004 (Jan. 1 - Jun. 30, 2004), Interim FY2005 (Jan. 1 - Jun. 30, 2005), and FY2004 (Jan. 1 - Dec. 31, 2004):

The Companies operate mainly in Japan and have no overseas sales.

Per Share Information

Yen

Interim FY2004 (Jan. 1 - Jun. 30, 2004)	Interim FY2005 (Jan. 1 - Jun. 30, 2005)	FY2004 (Jan. 1 - Dec. 31, 2004)
Shareholders' equity per share 52,823.99	Shareholders' equity per share 48,895.83	Shareholders' equity per share 47,786.63
Net income per share (basic) 1,123.75	Net income per share (basic) 2,590.29	Net loss per share 3,655.66
Net income per share (diluted) 1,110.81	Net income per share (diluted) 2,580.81	
A 3-for-1 stock split was conducted on February 20, 2004. Net income per share and diluted net income per share have been computed as if the split occurred at the beginning of 2004. Per share information calculated as if this split had occurred at the beginning of previous period is presented below.		Diluted net income per share is not presented since the company posted a net loss for the current fiscal year. A 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 previous year is presented below.
Interim FY2004: Shareholders' equity per share 45,769.16		Shareholders' equity per share 53,295.99
Net income per share (basic) 1,865.00		Net income per share (basic) 9,422.68
Diluted net income per share is not presented as there were no dilutive common stock equivalents.		Net income per share (diluted) 9,399.14
FY2004: Shareholders' equity per share 53,295.99		
Net income per share (basic) 9,442.68		
Net income per share (diluted) 9,399.14		

The following is a reconciliation of net income per share (basic/diluted)

Thousand yen

	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
Net income per share			
Net income	72,122	165,379	(234,361)
Net income not available to common shareholders	-	-	-
[Of which bonuses to directors in the appropriation of retained earnings]	[-]	[-]	[-]
Interim net income available to common shareholders	72,122	165,379	(234,361)
Average number of shares outstanding	64,179.84	63,845.79	64,109.27
Net income per share (diluted)			
Increase in the number of common shares	747.63	234.74	-
[of which of stock acquisition rights]	[747.63]	[234.74]	[-]
Summary of potential stock not included in the calculation of “net income per share (diluted)” since there was no dilutive effect in the period	-	<p>New stock acquisition rights under the provisions of Article 280-19 of the Commercial Code of Japan: (Pursuant to the resolution adopted at the General Meeting of Shareholders held on Nov. 11, 1999). Number of shares to be issued: 283.5 shares Exercise price: 92,593 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: 45.0 shares Exercise price: 94,445 yen</p> <p>New stock acquisition rights under the provisions of Article 280-20 and 280-21 of the Commercial Code of Japan: (Pursuant to the resolution adopted at the General Meeting of Shareholders held on March 29, 2005). Number of shares to be issued: 1289.0 shares Exercise price: 105,000 yen</p>	-

Subsequent Events

No reportable information.

(2) Others

No reportable information.

5. Production, Orders and Sales

1) Production

No reportable information since the Group has no manufacturing operations.

2) Procurement

Schedule of sales for the current interim period:

Thousand yen

Business unit	Interim FY2005 (Jan. 1 - Jun. 30, 2005)	Vs. previous year
Mobile phone sales business	8,291,712	196.0%
Network business	-	-
Staffing services business	374	1.6%
Total	8,292,086	194.9%

Notes:

1. Amounts are based on purchase prices.
2. Amounts are exclusive of consumption taxes.

3) Orders

No reportable information since the Group has not accepts advance orders.

4) Sales

Schedule of sales for the current interim period:

Thousand yen

Business unit	Item	Interim FY2005 (Jan. 1 - Jun. 30, 2005)	Vs. previous year
Mobile phone sales business	Merchandise sales	2,032,995	126.9%
	Commissions received	8,843,247	172.2%
	Sub-total	10,876,243	161.4%
Network business	Commissions received	284,134	-
Staffing services business	Sales	324,090	134.6%
Total		11,484,467	164.6%

Note:

1. Inter-segment transactions are set off and eliminated.
2. For the previous and current interim period of sales to principal customers and their shares of total sales:

Thousand yen

Customer	Interim FY2004 (Jan. 1 - Jun. 30, 2004)		Interim FY2005 (Jan. 1 - Jun. 30, 2005)	
	Amount	Share	Amount	Share
Vodafone K.K.	5,300,097	76.0%	9,001,396	78.4%

3. The above amount is exclusive of consumption taxes.

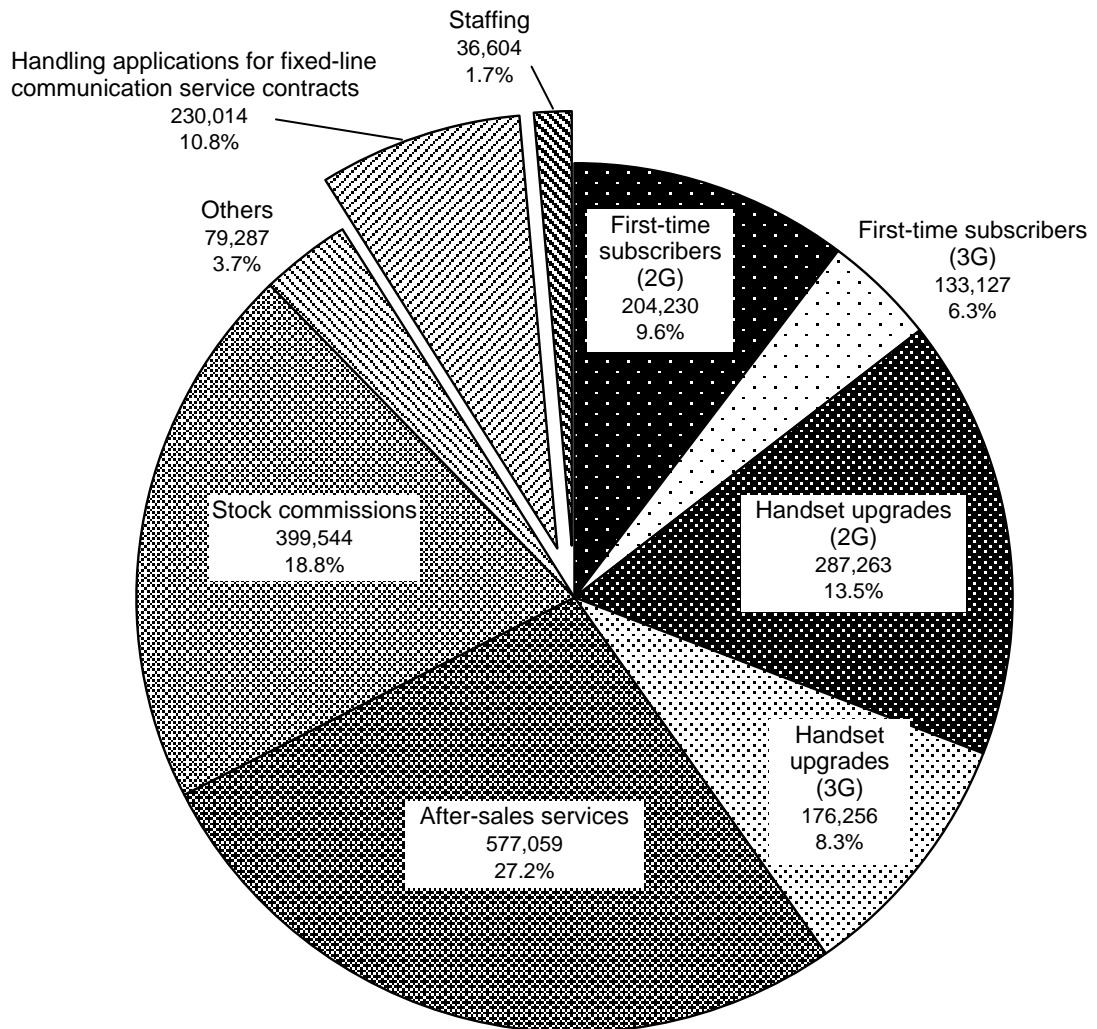
* This financial report is solely a translation of summary of "Kessan Tanshin"(in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

(Reference)

1. Composition of Consolidated Gross profit

The composition of consolidated gross profit for first half year ended June 30, 2005 (Jan. 1, 2005 – Jun. 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 first half year ended June 30, 2005 (Jan. 1, 2005 – Jun. 30, 2005) are summarized below.

(Units)

