

## Non-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  
 Contact: Hiroshi Ishikawa, Corporate Officer, General Manager, Administration Division  
 Tel: +81-(0) 3-3288-5211

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

The Company has a system of interim dividend.

Interim dividend payment date: -

The Company does not employ a unit stock system.

### 1. Non-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	8,850	31.4	271	(5.1)	281	(5.2)
First half year ended June 2004	6,737	(0.1)	286	(16.7)	296	(15.8)
Year ended December 2004	15,473	13.8	647	3.7	656	5.5

	Net income		Net income per share (basic)
	Million yen	YoY change %	Yen
First half year ended June 2005	98	(1.2)	1,539.30
First half year ended June 2004	99	(45.6)	1,550.22
Year ended December 2004	273	(19.9)	4,272.47

Notes:

1. Weighted average number of shares outstanding

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

2. Changes in accounting principles applied: Yes

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

	Dividend per share during the first half year	Dividend per share during the year
	Yen	Yen
First half year ended June 2005	0.00	-
First half year ended June 2004	0.00	-
Year ended December 2004	-	1,000.00

## (3) 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	7,043	3,509	49.8	55,503.57
As of June 2004	4,995	3,401	68.1	52,885.94
As of December 2004	6,246	3,538	56.6	55,375.01

Notes:

1. Number of shares outstanding 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

2. Number of treasury stock at end of period

As of June 2005: 2,705.5 shares

As of June 2004: 1,528.5 shares

As of December 2004: 2,033.5 shares

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

	Net sales	Ordinary income	Net income	Dividend per share during the year	
				Year end	
	Million yen	Million yen	Million yen	Yen	Yen
Full Year	18,000	630	270	1,000.00	1,000.00

Reference: Estimated net income per common share for the year ending Dec. 2005: 4,270.41 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 in Consolidated Financial Results for details on business forecasts, and assumptions and other relevant factors on which they are based.

## 6. Interim Non-consolidated Financial Statements

### (1) Interim Non-consolidated Financial Statements

#### 1) Interim Non-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	%
<b>Assets</b>							
<b>I. Current assets</b>							
1. Cash on hand and in banks		2,099,239		1,226,212		2,032,895	
2. Accounts receivable - trade		229,589		625,894		286,798	
3. Accounts receivable - other		1,054,418		1,813,751		1,389,862	
4. Inventories		590,403		1,201,570		816,826	
5. Other current assets		145,427		364,216		145,529	
6. Allowance for doubtful accounts		(666)		(306)		(177)	
Total current assets		4,118,411	82.5	5,231,338	74.3	4,671,734	74.8
<b>II. Fixed assets</b>							
1. Property, plant and equipment	*1	148,462	2.9	253,626	3.6	180,669	2.9
2. Intangible assets		7,552	0.2	22,575	0.3	5,955	0.1
<b>3. Investments and other assets</b>							
(1) Investments in affiliates		35,816		745,816		735,816	
(2) Long-term loans receivable		37,321		50,913		25,159	
(3) Leasehold deposits		387,674		466,888		415,771	
(4) Deferred tax assets		66,026		83,616		60,151	
(5) Others		197,228		258,075		155,206	
(6) Allowance for doubtful accounts		(3,484)		(33,561)		(3,609)	
(7) Allowance for possible losses on investments		-		(35,816)		-	
Total investments and other assets		720,582	14.4	1,535,932	21.8	1,388,495	22.2
Total fixed assets		876,597	17.5	1,812,134	25.7	1,575,119	25.2
Total assets		4,995,009	100.0	7,043,473	100.0	6,246,854	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		821,358		1,969,477		1,440,921	
2. Accounts payable- other		240,392		630,308		275,788	
3. Accrued income taxes		92,051		155,134		270,189	
4. Reserve for employees' bonuses		28,089		44,143		26,136	
5. Allowance for early subscription cancellations		18,863		74,541		29,013	
6. Other current liabilities		329,356		559,044		598,936	
Total current liabilities		1,530,110	30.6	3,432,649	48.7	2,640,984	42.3
II. Long-term liabilities							
1. Liability for employees' retirement benefits		12,966		22,322		15,623	
2. Other long-term liabilities		50,801		79,249		51,911	
Total long-term liabilities		63,768	1.3	101,572	1.4	67,534	1.1
Total liabilities		1,593,878	31.9	3,534,222	50.2	2,708,519	43.4
Shareholders' equity							
I. Common stock		1,081,636	21.6	1,085,035	15.4	1,085,035	17.4
II. Capital surplus							
1. Additional paid-in capital		1,536,044		1,539,443		1,539,443	
Total capital surplus		1,536,044	30.8	1,539,443	21.9	1,539,443	24.6
III. Retained earnings							
1. Legal reserve		8,078		8,078		8,078	
2. Unappropriated retained earnings at end of period		844,947		1,053,739		1,019,359	
Total retained earnings		853,025	17.1	1,061,818	15.1	1,027,437	16.4
IV. Net unrealized holding gain on securities		-	-	283	0.0	-	-
V. Treasury stock		(69,576)	(1.4)	(177,329)	(2.5)	(113,581)	(1.8)
Total shareholders' equity		3,401,130	68.1	3,509,251	49.8	3,538,335	56.6
Total liabilities and shareholders' equity		4,995,009	100.0	7,043,473	100.0	6,246,854	100.0

2) Interim Non-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			6,737,196	100.0		8,850,277	100.0		15,473,592	100.0
II. Cost of goods sold			5,421,763	80.5		7,190,101	81.2		12,678,447	81.9
Gross profit			1,315,433	19.5		1,660,175	18.8		2,795,145	18.1
III. Selling, general and administrative expenses	*1		1,029,022	15.3		1,388,411	15.7		2,147,949	13.9
Operating income			286,411	4.2		271,764	3.1		647,196	4.2
IV. Non-operating income	*2		18,149	0.3		16,142	0.2		24,779	0.1
V. Non-operating expenses	*3		8,070	0.1		6,834	0.1		15,971	0.1
Ordinary income			296,490	4.4		281,072	3.2		656,004	4.2
VI. Extraordinary income			-	-		-	-		3,500	0.0
VII. Extraordinary loss	*4		61,010	0.9		71,846	0.8		83,018	0.5
Net income before income taxes			235,479	3.5		209,225	2.4		576,486	3.7
Income taxes - current		91,823			149,477			269,963		
Income taxes - deferred		44,162	135,986	2.0	(38,529)	110,947	1.3	32,617	302,581	1.9
Net income			99,493	1.5		98,278	1.1		273,905	1.8
Retained earnings brought forward			745,454			955,461			745,454	
Unappropriated retained earnings at end of period			844,947			1,053,739			1,019,359	

## Significant Accounting Policies

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
1. Valuation criteria and methods for assets	<p>(1) Securities Subsidiary stock Subsidiaries are stated at cost, cost being determined by the moving-average method. 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 Subsidiary stock Same as on the left.</p> <p>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 Subsidiary stock Same as on the left.</p> <p>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>
2. Depreciation and amortization of fixed 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: Buildings: 3-24 years Structures: 10-20 years Vehicles: 2 years Furniture &amp; Fixtures: 2-10 years</p> <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 interim period was amortized in a lump sum.</p>	<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: Buildings: 3-24 years Structures: 10-20 years Vehicles: 2-6 years Furniture &amp; Fixtures: 2-10 years</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 3 years by the straight-line method. Goodwill recorded during the period was amortized in three years by the straight-line method.</p>	<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: Buildings: 3-24 years Structures: 10-20 years Vehicles: 2-6 years Furniture &amp; Fixtures: 3-10 years</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>

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
	(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.	(Changes in accounting principles) In prior periods, goodwill was amortized lump sum as accrued. Effective from the current interim period, goodwill is amortized by the straight-line method over a period of 3 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 net 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.  (3) Long-term prepaid expenses Same as on the left.	(3) Long-term prepaid expenses Same as on the left.
3. Recognition of significant allowances	(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.  (2) -	(1) Allowance for doubtful accounts Same as on the left.  (2) Allowance for possible losses on investments To reasonably account for possible losses on investments in affiliates etc., an allowance is provided in an amount determined based on the financial condition of investee companies and other factors.	(1) Allowance for doubtful accounts Same as on the left.  (2) -

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
	<p>(3) 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 interim period.</p> <p>(4) 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>(5) 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>(6) 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 has been transferred to "others" in long-term liabilities.</p>	<p>(3) Reserves for employees' bonuses Same as on the left.</p> <p>(4) Allowance for early subscription cancellations The Company refunds subscription commission to the telecom carrier, with which it has an 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>(5) Liability for employees' retirement benefits Same as on the left.</p> <p>(6) -</p>	<p>(3) 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>(4) 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>(5) 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>(6) 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 has been transferred to "others" in long-term liabilities.</p>

Item	Interim FY2004 (Jan. 1 – Jun. 30, 2004)	Interim FY2005 (Jan. 1 – Jun. 30, 2005)	FY2004 (Jan. 1 – Dec. 31, 2004)
4. Other significant accounting policies in the preparation of financial statements	(1) Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Temporary payment and receipt of consumption taxes are set off and presented in “Other current liabilities” on the balance sheets.	(1) Accounting for consumption taxes Same as on the left.	(1) Accounting for consumption taxes All amounts stated are exclusive of consumption taxes.

### 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 non-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 Non-consolidated Financial Statements

### Notes to Interim Non-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	94,837	118,876	95,231

### Notes to Interim Non-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 Depreciation and amortization			
Property, plant and equipment	12,893	23,644	29,460
Intangible assets	440	3,096	880
*2 Significant components of non-operating income			
Interest income	9	2,365	973
*3 Significant components of non-operating expenses			
Interest expenses	1,004	777	2,205
*4 Significant components of extraordinary loss			
Amortization of goodwill	51,428	-	51,428
Provision for allowance for possible losses on investments	-	35,816	-
Provision for allowance for doubtful accounts	-	31,666	-

### Leases

No reportable information.

### Securities

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

There is no subsidiary stock with market quotations.

## 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 52,885.94 Net income per share (basic) 1,550.22 Net income per share (diluted) 1,532.37	Shareholders' equity per share 55,503.57 Net income per share (basic) 1,539.30 Net income per share (diluted) 1,533.66	Shareholders' equity per share 55,375.01 Net income per share 4,272.47 Net income per share (diluted) 4,240.30
<p>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.</p>		<p>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.</p>
<p>Interim FY2004:</p> Shareholders' equity per share 50,549.23 Net income per share (basic) 2,803.45 Diluted net income per share is not presented as there were no dilutive common stock equivalents.		Shareholders' equity per share 52,931.24 Net income per share (basic) 5,251.25 Net income per share (diluted) 5,227.04
<p>FY2004:</p> Shareholders' equity per share 52,931.24 Net income per share (basic) 5,251.25 Net income per share (diluted) 5,227.04		

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	99,493	98,278	273,905
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	99,493	98,278	273,905
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	486.31
[of which of stock acquisition rights]	[747.63]	[234.74]	[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 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.