

## Non-consolidated Financial Results for the Fiscal Year Ended 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: February 16, 2006

The Company has a system of interim dividend.

Dividend payment date: March 31, 2006

Annual meeting of shareholders: March 30, 2006

The Company does not employ a unit stock system.

### 1. Non-consolidated Financial Results for the Year Ended December 31, 2005 (Jan. 1 – Dec. 31, 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 %
Year ended Dec. 2005	18,826	21.7	663	2.5	678	3.4
Year ended Dec. 2004	15,473	13.8	647	3.7	656	5.5

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change %	Yen	Yen
Year ended Dec. 2005	315	15.2	4,974.17	4,951.72
Year ended Dec. 2004	273	(19.9)	4,272.47	4,240.30

	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	%	%	%
Year ended Dec. 2005	8.7	10.1	3.6
Year ended Dec. 2004	7.9	11.3	4.2

Notes:

1. Weighted average number of shares outstanding

Year ended December 2005: 63,434.33 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**

	Annual dividend per share			Aggregate dividend (Annual)	Payout ratio	Dividend rate for shareholders' equity
	Interim	Year end				
	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2005	1,000.00	-	1,000.00	62	19.9	1.7
Year ended Dec. 2004	1,000.00	-	1,000.00	63	23.3	1.8

**(3) Financial Position**

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2005	7,128	3,701	51.9	58,815.12
As of December 31, 2004	6,246	3,538	56.6	55,375.01

Notes:

1. Number of shares outstanding at end of year

As of December 31, 2005: 62,927.68 shares

As of December 31, 2004: 63,897.68 shares

2. Number of treasury stock at end of year

As of December 31, 2005: 3,033.50 shares

As of December 31, 2004: 2,033.50 shares

**2. Forecast for the Year Ending December 31, 2006 (Jan. 1 – Dec. 31, 2006)**

	Net sales	Ordinary income	Net income	Dividend per share		
				Interim	Year-end	
	Million yen	Million yen	Million yen	Yen	Yen	Yen
Interim	10,000	280	140	-	-	-
Full Year	22,000	680	340	-	1,000.00	1,000.00

Reference: Estimated net income per common share for the year ending Dec. 31, 2006: 5,403.02 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 13) in Consolidated Financial Results for details on business forecasts, and assumptions and other relevant factors on which they are based.

## 8. Non-consolidated Financial Statements

### Non-consolidated Financial Statements

#### (1) Non-consolidated Balance Sheets

Account	*	FY2004 (As of Dec. 31, 2004)		FY2005 (As of Dec. 31, 2005)	
		Thousand yen	%	Thousand yen	%
<b>Assets</b>					
<b>I. Current assets</b>					
1. Cash on hand and in banks		2,032,895		1,220,730	
2. Accounts receivable - trade	*3	286,798		602,363	
3. Accounts receivable - other		1,389,862		1,961,665	
4. Merchandise		815,060		1,122,258	
5. Supplies		1,766		3,113	
6. Prepaid expenses		31,324		49,847	
7. Short-term loans receivable	*3	24,324		137,324	
8. Accounts receivable – non-trade	*3	41,280		115,368	
9. Deferred tax assets		45,282		75,968	
10. Other current assets		3,318		11,171	
11. Allowance for doubtful accounts		(177)		(32,692)	
<b>Total current assets</b>		<b>4,671,734</b>	<b>74.8</b>	<b>5,267,118</b>	<b>73.9</b>
<b>II. Fixed assets</b>					
<b>1. Property, plant and equipment</b>					
(1) Buildings		187,830		254,666	
Accumulated depreciation		48,097	139,733	69,652	185,014
(2) Structures		2,592		6,927	
Accumulated depreciation		525	2,066	1,002	5,925
(3) Vehicles		1,530		3,003	
Accumulated depreciation		273	1,256	1,111	1,891
(4) Furniture and fixtures		83,948		172,006	
Accumulated depreciation		46,336	37,612	79,807	95,198
<b>Total property, plant and equipment</b>			<b>180,669</b>		<b>288,029</b>
<b>2. Intangible assets</b>					
(1) Goodwill			-		12,698
(2) Leasehold rights			1,000		1,000
(3) Trademarks			254		411
(4) Software			495		598
(5) Others			4,204		4,742
<b>Total intangible assets</b>			<b>5,955</b>		<b>19,451</b>
			<b>0.1</b>		<b>0.3</b>

Account	*	FY2004 (As of Dec. 31, 2004)		FY2005 (As of Dec. 31, 2005)	
		Thousand yen	%	Thousand yen	%
3. Investments and other assets					
(1) Investment securities		-		105,688	
(2) Investments in affiliates		735,816		765,816	
(3) Long-term loans receivable		3,159		2,835	
(4) Long-term loans to affiliates		22,000		5,416	
(5) Leasehold deposits		415,771		489,498	
(6) Deposits		2,821		8,830	
(7) Membership rights		137,922		137,922	
(8) Long-term prepaid expenses		12,749		13,759	
(9) Deferred tax assets		60,151		61,819	
(10) Others		1,714		309	
(11) Allowance for possible losses on investments		-		(35,816)	
(12) Allowance for doubtful accounts		(3,609)		(2,204)	
Total investments and other assets		1,388,495	22.2	1,553,875	21.8
Total fixed assets		1,575,119	25.2	1,861,355	26.1
Total assets		6,246,854	100.0	7,128,474	100.0

Account	*	FY2004 (As of Dec. 31, 2004)		FY2005 (As of Dec. 31, 2005)	
		Thousand yen	%	Thousand yen	%
<b>Liabilities</b>					
<b>I. Current liabilities</b>					
1. Accounts payable - trade		1,440,921		1,751,777	
2. Accounts payable- other	*3	275,788		686,847	
3. Accounts payable - non-trade		306,272		175,237	
4. Accrued expenses		86,948		124,764	
5. Accrued income taxes		270,189		203,693	
6. Accrued consumption taxes		34,272		32,328	
7. Deposits received		165,708		236,042	
8. Reserve for employees' bonuses		26,136		44,099	
9. Allowance for early subscription cancellations		29,013		70,128	
10. Other current liabilities		5,735		7,937	
Total current liabilities		2,640,984	42.3	3,332,857	46.8
<b>II. Long-term liabilities</b>					
1. Liability for employees' retirement benefits		15,623		21,259	
2. Other long-term liabilities		51,911		73,258	
Total long-term liabilities		67,534	1.1	94,517	1.3
Total liabilities		2,708,519	43.4	3,427,375	48.1
<b>Shareholders' equity</b>					
<b>I. Common stock</b>					
I. Common stock	*1	1,085,035	17.4	1,086,140	15.2
<b>II. Capital surplus</b>					
1. Additional paid-in capital		1,539,443		1,540,547	
Total capital surplus		1,539,443	24.6	1,540,547	21.6
<b>III. Retained earnings</b>					
1. Legal reserve		8,078		8,078	
2. Unappropriated retained earnings at end of year		1,019,359		1,270,995	
Total retained earnings		1,027,437	16.4	1,279,073	17.9
<b>IV. Net unrealized holding gain on securities</b>					
IV. Net unrealized holding gain on securities		-		3,373	0.1
<b>V. Treasury stock</b>					
V. Treasury stock	*2	(113,581)	(1.8)	(208,036)	(2.9)
Total shareholders' equity		3,538,335	56.6	3,701,099	51.9
Total liabilities and shareholders' equity		6,246,854	100.0	7,128,474	100.0

2) Non-consolidated Statements of Income

Account	*	FY2004 (Jan. 1 – Dec. 31, 2004)		FY2005 (Jan. 1 – Dec. 31, 2005)	
		Thousand yen	%	Thousand yen	%
I. Net sales					
1. Merchandise sales		3,467,174		3,494,904	
2. Commissions received		12,006,418	15,473,592	15,331,381	18,826,286
100.0					100.0
II. Cost of goods sold					
1. Inventories - beginning of year		797,349		815,060	
2. Purchases		10,511,352		13,192,486	
3. Merchandise received from acquisition of goodwill		20,643		-	
Total		11,329,345		14,007,547	
4. Inventories - end of year		815,060		1,122,258	
Net		10,514,285		12,885,288	
5. Commissions paid		2,164,161	12,678,447	2,370,280	15,255,569
81.9					81.0
Gross profit			2,795,145		3,570,716
18.1					19.0
III. Selling, general and administrative expenses					
1. Advertisement		109,372		91,903	
2. Salaries		553,557		730,321	
3. Miscellaneous wages		298,253		352,774	
4. Welfare expenses		102,344		131,358	
5. Provision of accrued bonuses		26,136		34,658	
6. Retirement benefit expenses		10,319		4,782	
7. Outsourcing expenses		106,542		330,896	
8. Rent		313,890		346,538	
9. Depreciation		29,460		55,660	
10. Others		598,071	2,147,949	828,133	2,907,025
13.9					15.4
Operating income			647,196		663,691
					3.5

Account	*	FY2004 (Jan. 1 – Dec. 31, 2004)		FY2005 (Jan. 1 – Dec. 31, 2005)	
		Thousand yen	%	Thousand yen	%
IV. Non-operating income					
1. Interest income	*2	973		5,218	
2. Additional tax refund		3,996		-	
3. Payments on termination of insurance policies		5,598		-	
4. Income from rentals	*2	9,313		21,934	
5. Income from consigned business	*2	-		14,946	
6. Other income		4,898	24,779	9,042	51,142
					0.3
V. Non-operating expenses					
1. Interest expenses		2,205		1,514	
2. Leasing expenses		8,961		24,277	
3. Other losses		4,804	15,971	10,805	36,596
					0.2
Ordinary income			656,004		678,237
					3.6
VI. Extraordinary income					
1. Gain on sale of investment securities		3,500	3,500	-	-
					-
VII. Extraordinary loss					
1. Loss on removal of fixed assets	*1	25,565		94	
2. Amortization of goodwill		51,428		-	
3. Provision of allowance for doubtful accounts		-		31,619	
4. Provision for allowance for possible losses on investments		-		35,816	
5. Others		6,024	83,018	4,364	71,893
					0.4
Net income before income taxes			576,486		606,343
					3.2
Income taxes - current		269,963		325,479	
Income taxes - deferred		32,617	302,581	(34,669)	290,809
					1.5
Net income			273,905		315,533
					1.7
Retained earnings brought forward			745,454		955,461
Unappropriated retained earnings at end of year			1,019,359		1,270,995

### 3) Non-consolidated Statements of Retained Earnings

		FY2004 (Approved at annual meeting of shareholders on March 29, 2005)		FY2005 (Approved at annual meeting of shareholders on March 30, 2006)	
Account	*	Thousand yen		Thousand yen	
I	Unappropriated retained earnings at end of year		1,019,359		1,270,995
II	Appropriations				
	Cash dividends	63,897	63,897	62,927	62,927
III	Retained earnings carried forward to the next year		955,461		1,208,067

## Significant Accounting Policies

	FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
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.</p> <p>(2) 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>(1) Securities Subsidiary stock Same as on the left.</p> <p>(2) 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>
2. Inventories valuation basis and valuation method	<p>Merchandise: Merchandise is stated at cost determined primarily by the moving-average method.</p> <p>Supplies: Supplies are stated at cost, cost being determined by the last purchase price method.</p>	<p>Merchandise: Same as on the left.</p> <p>Supplies: Same as on the left.</p>
3. Depreciation and amortization of fixed assets	<p>Property, plant and equipment Declining-balance method. The Company computes depreciation on buildings (excluding fixtures) by the straight-line method.</p> <p>Useful life of principle assets is as follows: Buildings: 3-24 years Structures: 10-20 years Vehicles: 2-6 years Furniture and fixtures: 3-10 years</p> <p>Intangible assets Straight-line method. The development costs of software intended for internal use are amortized over an estimated useful life of 5 years by the straight-line method. Goodwill recorded during the period was amortized in a lump sum.</p>	<p>Property, plant and equipment Same as on the left. The Company computes depreciation on buildings (excluding fixtures) by the straight-line method.</p> <p>Useful life of principle assets is as follows: Buildings: 3-24 years Structures: 10-20 years Vehicles: 2-6 years Furniture and fixtures: 2-10 years</p> <p>Intangible assets Same as on the left. The development costs of software intended for internal use are amortized over an estimated useful life of 5 years by the straight-line method. Goodwill recorded during the period was amortized in three years by the straight-line method.</p>

	FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
	<p>Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	<p>(Changes in accounting principles) In prior year, goodwill was amortized lump sum as accrued. Effective from the current fiscal year, 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.</p> <p>The effect of this change in the accounting policy was to reduce the operating income and ordinary income by 6,349 thousand yen each and increase the net income before income taxes by 12,698 thousand yen, compared to the amounts that would have been reported if the previous accounting standards had been applied consistently.</p> <p>Long-term prepaid expenses Same as on the left.</p>
4. Accounting for deferred assets	<p>Deferred assets Share issue expenses: Changed to income as accrued.</p>	-
5. Recognition of significant allowances	<p>(1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable and loans receivable etc., allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.</p> <p>(2) -</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 fiscal year.</p>	<p>(1) Allowance for doubtful accounts Same as on the left.</p> <p>(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.</p> <p>(3) Reserves for employees' bonuses Same as on the left.</p>

	FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
	<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 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 year 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>(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>
6. Other significant accounting policies in the preparation of financial statements	(1) Accounting for consumption taxes All amounts stated are exclusive of consumption taxes.	(1) Accounting for consumption taxes Same as on the left.

## Reclassifications

FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)																						
<p>(Non-consolidated statements of income)</p> <p>1. Effective the current fiscal year, selling, general and administrative expenses presented as a single item “Selling, general and administrative expenses” (with the breakdown of major items and corresponding expenses presented in the Notes to Non-consolidated Statements of Income) in prior periods are reclassified and presented as separate line items.</p> <p>The following is a restatement of the selling, general and administrative expenses for the previous fiscal year to make them conform to the current fiscal year presentation:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">Thousand yen</th> </tr> </thead> <tbody> <tr> <td>Advertisement</td> <td style="text-align: right;">119,605</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">461,140</td> </tr> <tr> <td>Miscellaneous wages</td> <td style="text-align: right;">273,650</td> </tr> <tr> <td>Welfare expenses</td> <td style="text-align: right;">88,486</td> </tr> <tr> <td>Provision of reserve for bonuses</td> <td style="text-align: right;">23,879</td> </tr> <tr> <td>Retirement benefits expenses</td> <td style="text-align: right;">7,090</td> </tr> <tr> <td>Outsourcing expenses</td> <td style="text-align: right;">107,439</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">287,735</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">26,547</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">629,887</td> </tr> </tbody> </table> <p>2. Effective the current non-consolidated fiscal year, “Provision of allowance for doubtful accounts,” presented as a separate line item under “Non-operating expenses” in the previous fiscal year, is reclassified and included in “Other losses,” in “Non-operating expenses” given the reduced materiality of impact of the amount on the Non-consolidated financial statements.</p> <p>In the current fiscal year, “Provision of allowance for doubtful accounts,” included in “Other losses” is 125 thousand yen.</p>		Thousand yen	Advertisement	119,605	Salaries	461,140	Miscellaneous wages	273,650	Welfare expenses	88,486	Provision of reserve for bonuses	23,879	Retirement benefits expenses	7,090	Outsourcing expenses	107,439	Rent	287,735	Depreciation	26,547	Others	629,887	<p>(Non-consolidated statements of income)</p> <p>Effective the current non-consolidated fiscal year, “Income from consigned business” included in “Other income” under “Non-operating income” in prior periods, is reclassified and presented as a separate line item since the amount of “Income from consigned business,” exceeded 1/100 of the “Non-operating income.”</p> <p>In the previous fiscal year, “Income from consigned business” totaled 1,000 thousand yen.</p>
	Thousand yen																						
Advertisement	119,605																						
Salaries	461,140																						
Miscellaneous wages	273,650																						
Welfare expenses	88,486																						
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Rent	287,735																						
Depreciation	26,547																						
Others	629,887																						

## Supplementary Information

FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
-	<p>(Method for displaying the pro forma portion of corporate taxes in the non-consolidated statements of income)</p> <p>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 16,211 thousand yen from the added value and capital portion of income taxes in selling, general, and administrative expenses, starting from the current fiscal year.</p>

## Notes to Non-consolidated Financial Statements

### Notes to Non-consolidated Balance Sheets

Thousand yen

FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
*1 Class and number of shares outstanding	*1 Class and number of shares outstanding
Common stock 84,500 shares	Common stock 263,700 shares
Number of shares outstanding	Number of shares outstanding
Common stock 65,931.18 shares	Common stock 65,961.18 shares
*2 Treasury stock	*2 Treasury stock
Common stock 2,033.5 shares	Common stock 3,033.5 shares
-	*3 Affiliates
-	Assets and liabilities of affiliates include the following, in addition to those presented as independent line items in the assets and liabilities sections:
-	Current assets:
-	Accounts receivable -trade 313,843
-	Short-term loans receivable 137,000
-	Accounts receivable -non-trade 98,873
-	Current liabilities
-	Accounts payable -other 398,918
-	4. Contingent debts
-	Loan guarantees
-	The Company has guaranteed loans taken out by Nikka Co., Ltd. as follows:
-	107,590 thousand yen
-	5. Restrictions on dividends
-	Total net assets increased by 3,373 thousand yen as a result of the restatement of assets at fair value in compliance with Article 124, Paragraph 3 of the Enforcement Regulations Concerning the Commercial Code of Japan.

### Notes to Non-consolidated Statements of Income

Thousand yen

FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
*1 Significant components of loss on removal of fixed assets	*1 Significant components of loss on removal of fixed assets
Buildings 23,695	Furniture and fixtures 94
Furniture and fixtures 713	Total 94
Trademarks 390	
Software 766	
Total 25,565	
-	*2 Transactions with affiliates include the following:
-	Interest received from affiliates 5,204
-	Rent received from affiliates 13,522
-	Income from consigned business by affiliates 14,946

### Leases

No reportable information.

### Securities

FY2004 (Jan. 1 - Dec. 31, 2004)

FY2005 (Jan. 1 - Dec. 31, 2005)

There is no subsidiary stock with market quotations.

## Deferred Income Taxes

Thousand yen

FY2004 (Jan. 1 – Dec. 31, 2004)		FY2005 (Jan. 1 – Dec. 31, 2005)	
1. Major components of deferred tax assets		1. Major components of deferred tax assets	
Deferred tax assets		Deferred tax assets	
Lump-sum amortized assets	1,553	Lump-sum amortized assets	2,707
Accrued enterprise taxes	20,466	Accrued enterprise taxes	18,374
Amortization of goodwill in excess of maximum amount allowed for inclusion in expenses	26,048	Amortization of goodwill in excess of maximum amount allowed for inclusion in expenses	13,592
Provision of reserve for employees' bonuses in excess of maximum amount allowed for inclusion in expenses	11,814	Provision of reserve for employees' bonuses in excess of maximum amount allowed for inclusion in expenses	15,692
Provision of reserve for loss on short-term contract cancellations not included in expenses	11,808	Provision of reserve for loss on short-term contract cancellations not included in expenses	28,542
Provision of liability for employees' retirement benefits in excess of maximum amount allowed for inclusion in expenses	5,970	Provision of liability for employees' retirement benefits in excess of maximum amount allowed for inclusion in expenses	6,678
Provision of accrued directors' severance benefits in excess of maximum amount allowed for inclusion in expenses	12,787	Provision of accrued directors' severance benefits in excess of maximum amount allowed for inclusion in expenses	12,787
Loss on revaluation of memberships not included in expenses	1,581	Loss on revaluation of memberships not included in expenses	1,581
Provision of allowance for doubtful accounts in excess of maximum amount allowed for inclusion in expenses	1,192	Provision of allowance for doubtful accounts in excess of maximum amount allowed for inclusion in expenses	13,359
Loss on revaluation of investment securities not included in expenses	12,210	Allowance for possible losses on investments not included in expenses	14,577
Net deferred tax assets	105,433	Loss on revaluation of investment securities not included in expenses	12,210
		Net deferred tax assets	140,103
Deferred tax liabilities	-	Deferred tax liabilities	
Total deferred tax liabilities	-	Net unrealized holding gain on securities	(2,315)
Net deferred tax assets	105,433	Total deferred tax liabilities	(2,315)
		Net deferred tax assets	137,788
2. Significant sources of the difference between the statutory and effective tax rates		2. Significant sources of the difference between the statutory and effective tax rates	
Statutory tax rate	42.1%	Statutory tax rate	40.7%
(Adjustments)		(Adjustments)	
Entertainment expenses and other items not to be included in expenses indefinitely	1.6%	Entertainment expenses and other items not to be included in expenses indefinitely	1.9%
Residential tax for the period (straight-line)	3.0%	Residential tax for the period (straight-line)	3.6%
Tax on reserved income of family-owned companies	6.2%	Tax on reserved income of family-owned companies	3.1%
Others	(0.4)%	Others	(1.1)%
Effective tax rate	52.5%	Effective tax rate	48.0%

## Per Share Information

Yen

FY2004 (Jan. 1 – Dec. 31, 2004)		FY2005 (Jan. 1 – Dec. 31, 2005)	
Shareholders' equity per share	55,375.01	Shareholders' equity per share	58,815.12
Net income per share (basic)	4,272.47	Net income per share (basic)	4,974.17
Net income per share (diluted)	4,240.30	Net income per share (diluted)	4,951.72
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 fiscal year is presented below.			
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 basic net income per share to diluted net income per share

Thousand yen

	FY2004 (Jan. 1 – Dec. 31, 2004)	FY2005 (Jan. 1 – Dec. 31, 2005)
Net income per share		
Net income	273,905	315,533
Net income not available to common shareholders	-	-
[Of which bonuses to directors in the appropriation of retained earnings]	[-]	[-]
Net income available to common stock	273,905	315,533
Average number of shares outstanding	64,109.27	63,434.33
Net income per share (diluted)		
Increase in the number of common shares (shares)	486.31	287.61
[of which stock acquisition rights] (share)	[486.31]	[287.61]
Summary of potential stock not included in the calculation of "net income per share (diluted)" since there was no dilutive effect in the current fiscal year.	-	<p>New stock acquisition rights under the provisions of Article 280-19 of the Commercial Code of Japan:</p> <p>(Pursuant to the resolution adopted at the General Meeting of Shareholders held on Nov. 11, 1999) Number of shares to be issued: 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>(Pursuant to the resolution adopted at the General Meeting of Shareholders held on Mar. 29, 2005) Number of shares to be issued: 1,158.0 shares Exercise price: 105,000 yen</p>

## **Subsequent Events**

No reportable information.

### **9. Changes in Directors (March 30, 2006)**

(1) Representative director

No reportable information.

(2) Directors

Candidates for director:

Director, Yoshiki Akita

Note:

Mr. Yoshiki Akita is an independent outside director in accordance with the Article 188-2-7-2 of the Commercial Code.

(3) Changes in Auditors

No reportable information.

*\* 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.*