

Interim Financial Results for the Fiscal Year Ending December 31, 2007

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(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Half Year Ended June 30, 2007 (January 1 – June 30, 2007)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
First half year ended June 2007	15,041	29.5	1,262	253.7	1,262	246.9
First half year ended June 2006	11,610	1.1	356	(2.9)	363	(2.1)
Year ended December 2006	24,356		1,076		1,087	

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	%	Yen	Yen
First half year ended June 2007	616	216.4	9,679.42	9,621.23
First half year ended June 2006	194	17.9	3,095.20	3,065.50
Year ended December 2006	557		8,847.24	8,799.50

Reference: Equity in earnings of affiliates (million yen) Jun. 2007: - Jun. 2006: - Dec. 2006: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2007	8,555	4,508	52.7	70,249.61
As of June 30, 2006	5,906	3,522	59.6	55,886.94
As of December 31, 2006	7,789	3,884	49.9	61,599.13

Reference: Shareholders' equity (million yen) Jun. 2007: 4,508 Jun. 2006: 3,522 Dec. 2006: 3,884

(3) Consolidated cash flow position

	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 2007	284	(93)	7	2,096
First half year ended June 2006	(323)	(28)	(162)	1,003
Year ended December 2006	553	(11)	(161)	1,897

2. Dividends

Record date	Dividend per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
Year ended December 2006	-	1,300.00	1,300.00
Year ending December 2007	-	-	1,300.00
Year ending December 2007 (forecast)	-	1,300.00	

3. Consolidated Forecasts for the Year Ending December 31, 2007 (January 1, 2007 – December 31, 2007)

(Percentages represent year-on-year changes)

Full year	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	30,300	24.4	2,100	95.1	2,100	93.0	1,020	83.0	15,893.13

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and presentation methods for preparation of interim consolidated financial statements

- 1) Changes caused by revision of accounting standards: Yes
- 2) Other changes: None

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury stock)

Jun. 2007: 66,904.18 shares Jun. 2006: 66,063.18 shares Dec. 2006: 66,090.18 shares

2) Number of treasury stock at the end of period

Jun. 2007: 2,725.50 shares Jun. 2006: 3,033.50 shares Dec. 2006: 3,033.50 shares

(Reference) Summary of Interim Non-consolidated Financial Results

1. Non-consolidated Financial Results for the First Half Year Ended June 30, 2007 (January 1 – June 30, 2007)

(1) Non-consolidated results of operations *(Percentages represent year-on-year changes)*

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
First half year ended June 2007	14,223	59.2	1,246	469.1	1,248	423.9
First half year ended June 2006	8,931	0.9	219	(19.4)	238	(15.2)
Year ended December 2006	18,572		706		742	

	Net income		Net income per share (basic)
	Million yen	%	Yen
First half year ended June 2007	600	417.1	9,432.47
First half year ended June 2006	116	18.2	1,845.40
Year ended December 2006	324		5,143.23

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2007	8,446	4,576	54.2	71,310.12
As of June 30, 2006	6,325	3,761	59.5	59,670.90
As of December 31, 2006	8,364	3,968	47.4	62,928.04

Reference: Shareholders' equity (million yen) Jun. 2007: 4,576 Jun. 2006: 3,761 Dec. 2006: 3,968

2. Non-consolidated Forecasts for the Year Ending December 31, 2007 (January 1, 2007 – December 31, 2007)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	28,200	51.8	2,070	192.9	2,070	178.7	1,000	208.5	15,581.50

* Cautionary statement with respect to forward-looking statements

The above forecasts are based on judgments made in accordance with information currently available. Forecasts therefore embody risks and uncertainties. Actual figures may differ from these forecasts for a number of factors.

Please refer to "1. Results of Operations (1) Analysis of Results of Operations, 2) Outlook for the full year" on page 4 for further information concerning these forecasts.

1. Results of Operations

(1) Analysis of Results of Operations

1) Summary of the first half

The Japanese economy was relatively healthy in the first half of 2007. Corporate earnings and employment statistics improved and there was a recovery in consumer spending.

In this environment, the Bell-Park Group focused on making its mobile phone sales business more profitable and on expanding the staffing services business.

Due to the above factors, net sales was 15,041 million yen (129.5%, compared to the same period of the previous year), operating income was 1,262 million yen (353.7%), ordinary income was 1,262 million yen (346.9%), and net income was 616 million yen (316.4%).

Results by business segment were as follows.

Mobile phone sales business

In the mobile communications industry, all carriers in Japan are conducting aggressive sales activities that include the introduction of many new handsets. These activities are producing growth in demand for new mobile phone service subscriptions. During the first half of 2007, there was a net increase of 3.11 million in mobile phone subscriptions, well above the 2.69 million net increase in the first half of 2006. SoftBank, which is the primary source of products sold by Bell-Park, took many actions to attract subscribers. This company introduced a large number and variety of handsets in multiple colors, innovative rate plans and opened more stores. Due to these actions, SoftBank ranked first in Japan in net growth in subscribers in May and June.

In this environment, the Group concentrated on sales activities that maximize customer satisfaction in order to utilize growth in customer traffic in stores to generate higher sales. Furthermore, in conjunction with SOFTBANK MOBILE's policy of rapidly opening stores, 11 SoftBank shops were opened during the first half of 2007 with the aim of increasing earnings. The Group also took actions targeting the corporate market. The Group strengthened its sales organization to take full advantage of opportunities created by the SOFTBANK MOBILE's introduction of rate plans specifically for corporate users. To support these initiatives, the Group reinforced recruiting and training activities. For recruiting, The Group strengthened its recruiting system to conduct effective, high-profile recruiting activities. For training, the Group opened a training center in Tokyo (Tamachi) and increased the number of instructors in order to enhance the skills of the sales staff.

In the first half of 2007, consolidated segment sales totaled 14,109 million yen (132.3%, compared to the same period of the previous year) and operating income was 1,480 million yen (253.6%).

Staffing services business

Demand remained strong for mobile phone sales personnel, which is the primary component of the staffing services business. The main reason was a consistent shortage of personnel at the stores of mobile phone sales agents as carriers continued to open more stores. However, it is difficult to recruit temporary staffing personnel because of the strong demand for workers in Japan.

Due to these favorable market conditions and the achievement of full-year profitability in 2006 for the staffing services business, the Group made additional investments in this business. The primary investment was for a new office in the Tokai region, where growth in demand is foreseen.

Sales in this business increased due to growth in the number of temporary staffing personnel in conjunction with an increase in the office network during the first half. However, investments to support future growth caused this business to report an operating loss.

This segment posted sales of 889 million yen (124.4%) and an operating loss of 2 million yen (12 million yen loss one year earlier) in the first half of 2007.

Other business

In this segment, which mainly involves processing applications for fixed-line communication service contracts, Bell-Park significantly downsized operations through actions that included the February 2007 relocation of the Shinjuku call center. Due to the resulting improvements in operating efficiency, this segment became profitable.

In the first half of 2007, segment sales totaled 117 million yen (32.3%) and operating income of 13 million yen (2 million yen loss one year earlier).

2) Outlook for the full year

Bell-Park believes that Japan's economy will continue to expand along with growth in private-sector capital expenditures, employment and other items.

In the mobile communications industry, competition among carriers is expected to become even more heated. Carriers continue to introduce innovative handsets and rate plans in an effort to attract customers from other companies. Bell-Park believes that this competition presents an excellent opportunity for sales agents to increase their sales. At the same time, these sales agents are having difficulty staffing their stores. This makes recruiting and training activities a major issue for these companies.

In the mobile phone sales business, Bell-Park will open many SoftBank shops in line with the store network expansion plans of SOFTBANK MOBILE. Recruiting and training personnel for these shops is another priority.

In the staffing services business, the goal is to maintain steady growth mainly through the provision of mobile phone sales personnel. In addition, Bell-Park plans to use the recently opened offices in Osaka and Nagoya to increase the number of temporary staffing personnel.

In the other business segment, Bell-Park plans to continue to promote operating efficiency in order to further enhance profitability.

Based on this outlook, Bell-Park is forecasting net sales of 30,300 million yen (124.4%, compared to FY2006), operating income of 2,100 million yen (195.1%), ordinary income of 2,100 million yen (193.0%) and net income of 1,020 million yen (183.0%) in FY2007.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Total assets increased 765 million yen over the end of the previous fiscal year to 8,555 million yen as of June 30, 2007. The main reasons were a 198 million yen increase in cash on hand and in banks, a 276 million yen decrease in accounts receivable-trade and accounts receivable-other, a 621 million yen increase in inventories, a 121 million yen increase in property, plant and equipment and a 94 million yen increase in leasehold deposits because of new store openings, and a 70 million yen decrease in investment securities. The increase in cash on hand and in banks is explained in 2) Cash Flows below.

Liabilities increased 141 million yen to 4,046 million yen. There was a 322 million yen decrease in accounts payable-trade and accounts payable-other, a 295 million yen increase in accrued income taxes, and a 134 million yen in other liabilities.

Net assets increased 624 million yen to 4,508 million yen. This was the net result of net income of 616 million yen.

2) Cash Flows

There was an increase of 198 million yen in cash and cash equivalents as of June 30, 2007, to 2,096 million yen compared with December 31, 2006.

Net cash provided by operating activities was 284 million yen compared with net cash used of 323 million yen one year earlier. Major components of cash flows were income before income taxes of 1,288 million yen, a 276 million yen decrease in accounts receivable, a 630 million yen increase in inventories, a 322 million yen decrease in accounts payable, and income taxes paid of 408 million yen.

Net cash used in investing activities was 93 million yen compared with 28 million yen one year earlier. There were proceeds from 115 million yen in sales of investment securities, 71 million yen for purchase of property, plant and equipment, and payment for 121 million yen in leasehold deposits.

Net cash provided by financing activities was 7 million yen compared with net cash used of 162 million yen one year earlier. There were proceeds from issuance of new shares of 64 million yen and disposal of treasury stock of 25 million yen, and cash dividends paid were 81 million yen.

Trends in cash flow indicators were as follows:

	FY2004	FY2005	FY2006	Interim FY2007
Shareholders' equity ratio (%)	44.7	49.7	49.9	52.7
Shareholders' equity ratio at market cap (%)	74.8	103.5	69.0	141.0
Interest-bearing debt to cash flow ratio (%)	-	-	-	-
Interest coverage ratio	424.3	-	403.5	416.4

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 interest-bearing debt to cash flow ratio is calculated by dividing interest-bearing debt by operating cash flows.

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

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

* Market capitalization are calculated based on the number of shares outstanding (excluding treasury stock)

* Net cash provided by (used in) operating activities on the statement of cash flows is used as operating cash flow.

Interest paid on the statement of cash flows is interest payments.

* Interest coverage ratio is not listed for FY2005, because operating cash flows were negative.

(3) Fundamental Policy Regarding Distribution of Earnings and Dividends for the Current Fiscal Year

Bell-Park's policy is to return earnings to shareholders in a stable and consistent manner. Dividend payments will also take into consideration the need to maintain sufficient retained earnings to preserve the Group's operating results, expansion of sales network, strengthening its management framework and support aggressive future business expansion.

In accordance with this policy, the Company has planned dividend applicable to 2007 to 1,300 yen per share.

(4) Business Risks

The following is a list of the primary items that represent risks with regard to the Bell-Park Group's business activities. The Group 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

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

2) Sales agent contract

The Group operates SoftBank shops on the basis of a sales agent contract with SOFTBANK MOBILE. 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 SoftBank shops is determined by the strategies of SOFTBANK MOBILE. Therefore, changes in SOFTBANK MOBILE's strategies can affect the Group's plans for new shops and its results of operations.

4) Sale of mobile phones

In the mobile phone sales 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

The Group 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 Group's results of operations.

Furthermore, contracts with communication carriers include a requirement to pay a cancellation fee when customers cancel a subscription soon after signing up. Consequently, the Group maintains an allowance for early subscription cancellations that is based on estimated payments in accordance with past short-term cancellation rates. Nevertheless, the possibility exists that an increase in these cancellations may cause cancellation fees to exceed the allowance. This could have a significant impact on 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 the Bell-Park Group does. Furthermore, the rising penetration rate of mobile phones is reducing sales to new subscribers. These trends indicate that the Group and other mobile phone retailers will face an increasingly competitive environment.

This competition could lower the Group's profit margins and have other negative effects on results of operations.

7) Opening of shop by another SOFTBANK MOBILE sales agent near a Bell-Park shop

Under the shop network policy of SOFTBANK MOBILE, it is possible to locate two or more SoftBank Shops in a particular area. As a result, another sales agent of SOFTBANK MOBILE may open a shop near an existing shop of Bell-Park. This could cause Bell-Park to lose some customers to a competing store, resulting in a decline in earnings per store.

8) Mobile Business Study Group

In September 2006, the Ministry of Internal Affairs and Communications announced its "New Competition Promotion Program 2010" for fair rules that can promote competition in the telecommunications market. In association with this announcement, the ministry established a Mobile Business Study Group in January 2007 to examine a variety of issues involving the mobile communications industry. The study group is covering many themes, including sales incentives (Note 1) and SIM locks (Note 2), that have major implications for the operations of the Bell-Park Group. The policies established as a result of these examinations by the study group may affect the performance of the Group.

(Note 1) Sales incentives

Sales incentives are part of the commissions that sales agents receive from communications carriers. These commissions are determined separately for each handset model. To make it easier for current mobile phone subscribers to purchase a new model, carriers pay sales incentives to sales agents for the purpose of funding discounts on new handsets. An amount equal to the sales incentive is subsequently collected by adding this amount to the monthly subscription rate paid by the customer.

If the structure of the current sales incentives is changed prices of handsets will most likely escalate. This could prolong the replacement cycle and as a result, the overall mobile phone market may shrink and affect the performance of the Group.

(Note 2) SIM lock

A SIM (subscriber identity module) is an IC card issued by each mobile communications carrier. This card contains a unique identification number to specify each handset's telephone number. In order to recover sales incentives, carriers design handsets so they can be used only with that carrier's SIM.

If this SIM lock is released, mobile phone service subscribers will be able to use handsets sold by another carrier by simply replacing the SIM card. This could result in changes in fees that carriers pay to sales agents, cause individuals to upgrade handsets more or less frequently, or cause other changes that may affect the performance of the Group.

Staffing services business:

1) Personnel recruiting

In the staffing services business, success is highly dependent on the ability to recruit talented workers. The Group constantly places want ads in a variety of media and takes other recruiting actions in order to steadily increase the number of registered workers. However, there may be a significant change in the recruiting environment due to fluctuations in employment statistics associated with economic trends, a shift in Japan's population composition, and changes in other parameters. If these events prevent the Company from recruiting personnel as planned, the performance of the staffing business could suffer, negatively impacting the Group's results of operations.

2) Reliance on a particular industry

The Group's staffing services business is highly reliant on the mobile communications industry. There may be a significant decline in the number of carrier shops, the primary assignment for workers provided by the Group, due to a change in the shop network policies of mobile communication carriers. There may also be changes in the employment policies of mobile communication carriers and their sales agents. A significant decline in the use of staffing services caused by such changes could have a significant impact on the Group's results of operations.

3) Laws and regulations

In Japan, the staffing services business is regulated in accordance with the provisions of the Worker Dispatch Law. In the event that the Bell-Park Group violates this law, the Minister of Health, Labour and Welfare may cancel the Company's license to conduct a general worker staffing service business. The Group is committed to conducting this business in compliance with the Worker Dispatch Law. However, in the event that the Group loses its license for some reason, it may no longer be possible to conduct this business, resulting in a significant impact on the Group's results of operations.

Other business:

1) Information concerning sales outsourcing contracts

The Group has contracts with mobile communication carriers (BB Technology and NTT) to act as a sales agent for service contracts for fixed-line, ADSL, FTTH and other services. Although these contracts are renewed automatically every year, 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

The Group 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 Group's results of operations.

Furthermore, contracts with communication carriers include a requirement to pay a cancellation fee when customers cancel a subscription soon after signing up. Consequently, the Group maintains an allowance for early subscription cancellations that is based on estimated payments in accordance with past short-term cancellation rates. Nevertheless, the possibility exists that an increase in these cancellations may cause cancellation fees to exceed the allowance. This could have a significant impact on 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 the Bell-Park Group does. These trends indicate that the Group and other mobile phone retailers will face an increasingly competitive environment. This competition could lower the Group's profit margins and have other negative effects on results of operations.

Customer information:

The Group 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 Group'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.

2. Corporate Group

The Bell-Park group of companies is made up of Bell-Park Co., Ltd. and five consolidated companies. The Group is engaged in three businesses: the mobile phone sales business, which mainly involves the sale of mobile phones; the staffing services business which mainly involves the provision of temporary employees to companies, and recruiting and training employees for other companies. Other 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.

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

Mobile phone sales business

Bell-Park Co., Ltd. is 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 through Bell-Park's secondary sales agents.
- 5) Outright sales of mobile phones to Bell-Park's secondary sales agents.
- 6) Acts as intermediary for installment credit contracts

Staffing services business

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

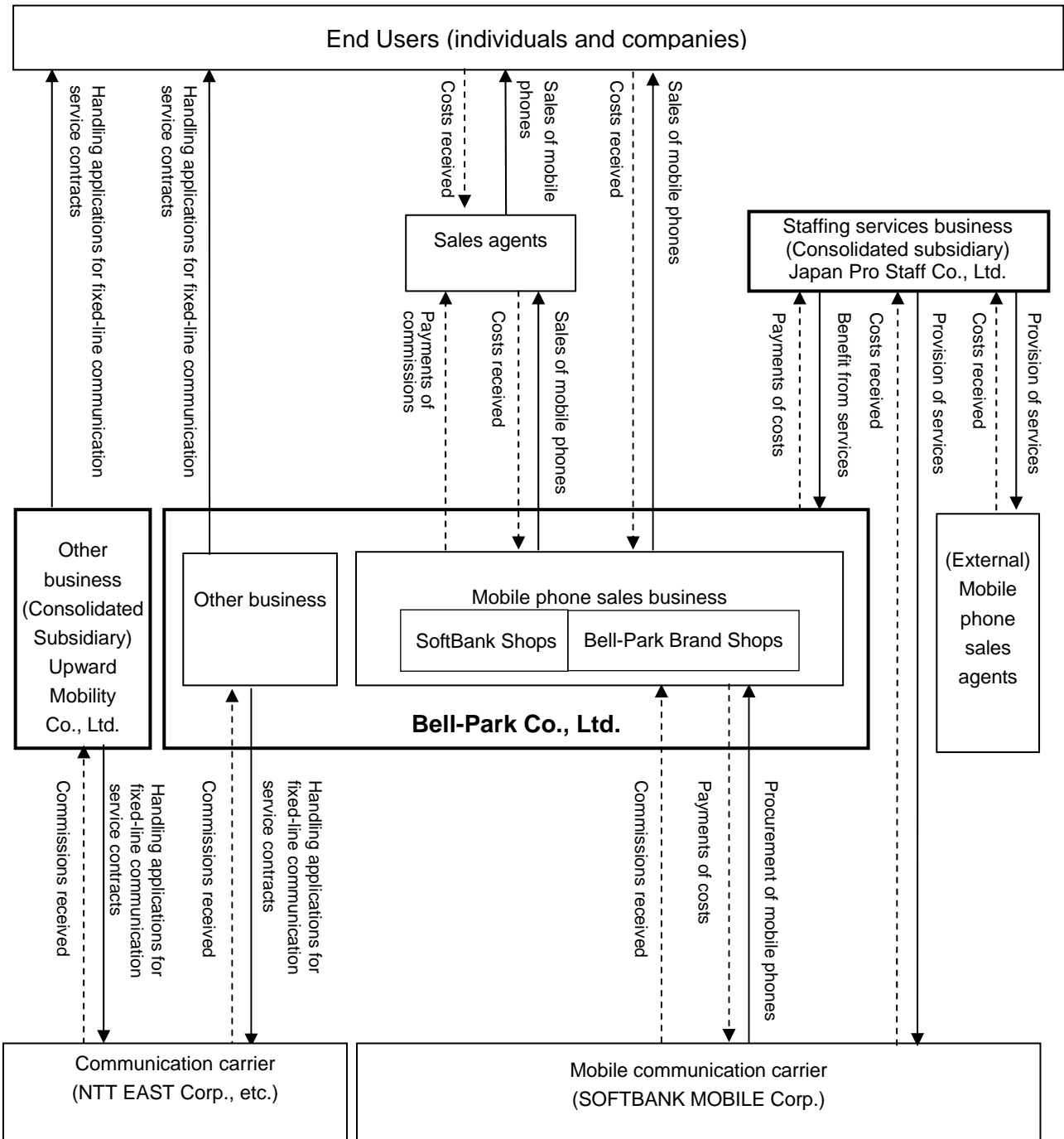
- 1) Supplies personnel mainly to work at retail shops selling mobile phones and other products.
- 2) Trains sales personnel as an agent for mobile communication carriers operating retail shops selling mobile phones.
- 3) Recruits employees for companies.

Other business

Bell-Park and its consolidated subsidiary Upward Mobility Co., Ltd. are 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.

A flowchart of business operations is shown below.



Note: There are three more consolidated subsidiaries, but these companies are not shown because it has no material impact on consolidated operations.

3. 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) Targeted performance indicators

The Group's medium- and long-term strategy is to expand and reinforce its sales network in the mobile phone sales business. The Company is also dedicated to the steady growth of staffing services businesses. To execute these strategies and generate new sources of growth, the Company believes that the reliable procurement of funds is a key factor. Therefore, the Company is placing emphasis on (1) increasing ordinary income and (2) increasing cash flow margin.

(3) Medium- and long-term strategies

The Group's core business is one element of the mobile phone sales industry. The Group believes that the operating environment in this industry will change at an even faster pace. SoftBank's acquisition of Vodafone Japan, the start of mobile phone number portability, enhanced functions of mobile phones at all companies and other developments are sparking more intense competition. The emergence of new communication carriers and the introduction of new communication technologies are other sources of change.

In this environment, the Group is dedicated to becoming a highly profitable organization with a focus on communication-related businesses. As its medium-term policy, the Group will concentrate on the following two themes.

1) Strengthen the mobile phone sales business

Transform changes in the operating environment into opportunities by adopting an aggressive business posture in order to expand the scale of operations.

2) Develop businesses associated with mobile phone sales

Expand the staffing services business by conducting aggressive operations, mainly regarding the provision of mobile phone sales personnel.

(4) Key issues

Key issues in each business segment based on these medium- and long-term policies described above are as follows.

1) Mobile phone sales business

High-profile marketing activities by SOFTBANK CORP. following its acquisition of the Vodafone Japan along with the start of mobile phone number portability (MNP) are creating growth in demand for SoftBank brand products from first-time buyers as well as for handset upgrades. To capitalize on this significant opportunity, the Company plans to open many more shops, reinforce the corporate sales team, and increase the number of shop personnel while enhancing their training. In addition, plans call for enlarging the shop network through acquisitions of competitors' shops, while closely examining the expected returns on these investments.

On June 28, 2007, Bell-Park signed a distributor agreement with VERTU, a manufacturer of luxury mobile handsets. The Company will seek locations for shops, recruit and train shop personnel, and take other actions needed to establish a sound operating framework. The goal is to start operations in the fall of 2008 and steadily expand this business afterward.

2) Staffing services business

In this important business sector, the Company expects that strong demand will continue but foresees increasing difficulty in recruiting sufficient numbers of workers to meet this demand. Due to this operating climate, the Company will improve the personnel supply capabilities of existing operating bases while increasing the size of the temporary staffing workforce at the recently opened offices in Osaka and Nagoya.

3) Other business

In the fixed-line communication service subscription agency business, the Company will create an operating framework that matches the scale of this business in order to improve profitability.

4) Reinforce administrative functions

The Company will take steps to further strengthen its administrative capabilities, such as by enhancing corporate governance, bolstering internal controls, and recruiting and training talented individuals.

4. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

Account	Interim FY2006 (As of June 30, 2006)		Interim FY2007 (As of June 30, 2007)		FY2006 (As of Dec. 31, 2006)	
	Thousand yen	%	Thousand yen	%	Thousand yen	%
Assets						
I. Current assets						
1. Cash on hand and in banks	1,003,619		2,096,567		1,897,932	
2. Accounts receivable -trade and accounts receivable -other	1,903,010		2,692,421		2,969,299	
3. Inventories	1,415,135		2,013,449		1,392,184	
4. Other current assets	199,355		201,159		149,396	
5. Allowance for doubtful accounts	(4,228)		(1,496)		(1,816)	
Total current assets	4,516,893	76.5	7,002,101	81.9	6,406,996	82.3
II. Fixed assets						
1. Property, plant and equipment						
(1) Buildings	266,480		349,565		267,336	
(2) Others	86,712		90,152		50,797	
Total property, plant and equipment	353,192	6.0	439,718	5.1	318,133	4.1
2. Intangible assets	30,745	0.5	27,000	0.3	30,135	0.4
3. Investments and other assets						
(1) Investment securities	119,515		34,341		104,665	
(2) Leasehold deposits	684,557		792,686		698,653	
(3) Others	202,139		260,821		232,820	
(4) Allowance for doubtful accounts	(375)		(1,358)		(1,658)	
Total investments other assets	1,005,837	17.0	1,086,491	12.7	1,034,480	13.2
Total fixed assets	1,389,776	23.5	1,553,209	18.1	1,382,749	17.7
Total assets	5,906,669	100.0	8,555,311	100.0	7,789,745	100.0

Account	Interim FY2006 (As of June 30, 2006)		Interim FY2007 (As of June 30, 2007)		FY2006 (As of Dec. 31, 2006)	
	Thousand yen	%	Thousand yen	%	Thousand yen	%
Liabilities						
I. Current liabilities						
1. Accounts payable - trade and accounts payable - other	1,452,404		2,336,926		2,659,594	
2. Accrued income taxes	-		598,665		302,923	
3. Reserve for employees' bonuses	54,719		90,960		55,862	
4. Allowance for early subscription cancellations	34,080		14,481		18,812	
5. Other current liabilities	757,560		918,222		783,429	
Total current liabilities	2,298,765	38.9	3,959,256	46.3	3,820,622	49.0
II. Long-term liabilities						
1. Liability for employees' retirement benefits	29,808		37,930		29,314	
2. Other long-term liabilities	55,559		49,597		55,572	
Total long-term liabilities	85,368	1.5	87,528	1.0	84,886	1.1
Total liabilities	2,384,133	40.4	4,046,784	47.3	3,905,509	50.1
Net assets						
I. Shareholders' equity						
1. Common stock	1,089,889	18.5	1,122,881	13.1	1,090,878	14.0
2. Capital surplus	1,544,296	26.1	1,581,356	18.5	1,545,286	19.9
3. Retained earnings	1,093,856	18.5	1,991,202	23.3	1,456,454	18.7
4. Treasury stock	(208,036)	(3.5)	(186,913)	(2.2)	(208,036)	(2.7)
Total shareholders' equity	3,520,006	59.6	4,508,526	52.7	3,884,583	49.9
II. Valuation and translation adjustments						
1. Net unrealized holding gain on securities	2,529	0.0	-	-	(346)	(0.0)
Total valuation and translation adjustments	2,529	0.0	-	-	(346)	(0.0)
Total net assets	3,522,536	59.6	4,508,526	52.7	3,884,236	49.9
Total liabilities and net assets	5,906,669	100.0	8,555,311	100.0	7,789,745	100.0

(2) Interim Consolidated Statements of Income

Account	Interim FY2006 (Jan. 1 – Jun. 30, 2006)		Interim FY2007 (Jan. 1 – Jun. 30, 2007)		FY2006 (Jan. 1 – Dec. 31, 2006)				
	Thousand yen	%	Thousand yen	%	Thousand yen	%			
I. Net sales		11,610,554	100.0		15,041,132	100.0		24,356,373	100.0
II. Cost of goods sold		9,166,918	78.9		11,454,769	76.2		19,159,840	78.7
Gross profit		2,443,635	21.1		3,586,363	23.8		5,196,532	21.3
III. Selling, general and administrative expenses		2,086,730	18.0		2,324,085	15.4		4,120,374	16.9
Operating income		356,905	3.1		1,262,277	8.4		1,076,157	4.4
IV. Non-operating income									
1. Interest income	0			41			11		
2. Insurance reimbursement	7,048			-			7,282		
3. Leasing income	4,206			4,206			8,412		
4. Other non-operating income	3,372	14,627	0.1	3,545	7,793	0.1	11,737	27,444	0.1
V. Non-operating expenses									
1. Interest expenses	804			682			1,370		
2. Leasing expenses	5,377			5,377			10,754		
3. Other non-operating expenses	1,475	7,657	0.1	1,849	7,908	0.1	3,607	15,732	0.0
Ordinary income		363,875	3.1		1,262,162	8.4		1,087,870	4.5
VI. Extraordinary income									
1. Gain on sale of fixed assets	-			12,004			-		
2. Gain on sale of investment securities	30,000			13			30,055		
3. Gain on sale of memberships	-			-			8,341		
4. Gain on reversal of allowance for doubtful accounts	1,260			-			-		
5. Gain on transfer of business	-			18,000			-		
6. Other extraordinary income	-	31,260	0.3	-	30,018	0.2	1,335	39,732	0.2
VII. Extraordinary loss									
1. Loss on sale of fixed assets	382			60			382		
2. Loss on removal of fixed assets	10,944			531			22,039		
3. Loss on sale of investment securities	-			3,525			-		
4. Impairment losses	17,776			-			43,962		
5. Shop closures expenses	-			-			13,378		
6. Loss on sale of memberships	1,265	30,369	0.3	-	4,116	0.0	1,777	81,541	0.3
Income before income taxes		364,766	3.1		1,288,063	8.6		1,046,061	4.3
Income taxes - current	139,452			698,584			527,612		
Income taxes - deferred	30,396	169,848	1.4	(27,243)	671,341	4.5	(39,066)	488,545	2.0
Net income		194,917	1.7		616,721	4.1		557,515	2.3

(3) Interim Consolidated Statement of Changes in Shareholders' Equity

Interim FY2006 (Jan. 1, 2006 – Jun. 30, 2006)

Thousand yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2005	1,086,140	1,540,547	961,866	(208,036)	3,380,518
Changes in the period					
New stock issue	3,748	3,748			7,497
Dividend of surplus			(62,927)		(62,927)
Net income			194,917		194,917
Changes (net) in items other than shareholders' equity					
Total changes in the period	3,748	3,748	131,990		139,487
Balance as of June 30, 2006	1,089,889	1,544,296	1,093,856	(208,036)	3,520,006

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of December 31, 2005	3,373	3,373	3,383,892
Changes in the period			
New stock issue			7,497
Dividend of surplus			(62,927)
Net income			194,917
Changes (net) in items other than shareholders' equity	(843)	(843)	(843)
Total changes in the period	(843)	(843)	138,644
Balance as of June 30, 2006	2,529	2,529	3,522,536

Interim FY2007 (Jan. 1, 2007 – Jun. 30, 2007)

Thousand yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2006	1,090,878	1,545,286	1,456,454	(208,036)	3,884,583
Changes in the period					
New stock issue	32,002	32,002			64,005
Dividend of surplus			(81,973)		(81,973)
Net income			616,721		616,721
Disposal of treasury stock		4,067		21,122	25,190
Changes (net) in items other than shareholders' equity					
Total changes in the period	32,002	36,070	534,748	21,122	623,943
Balance as of June 30, 2007	1,122,881	1,581,356	1,991,202	(186,913)	4,508,526

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of December 31, 2006	(346)	(346)	3,884,236
Changes in the period			
New stock issue			64,005
Dividend of surplus			(81,973)
Net income			616,721
Disposal of treasury stock			25,190
Changes (net) in items other than shareholders' equity	346	346	346
Total changes in the period	346	346	624,290
Balance as of June 30, 2007	-	-	4,508,526

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2005	1,086,140	1,540,547	961,866	(208,036)	3,380,518
Changes in the fiscal year					
New stock issue	4,738	4,738			9,476
Dividend of surplus (Note)			(62,927)		(62,927)
Net income			557,515		557,515
Changes (net) in items other than shareholders' equity					
Total changes in the fiscal year	4,738	4,738	494,587		504,064
Balance as of December 31, 2006	1,090,878	1,545,286	1,456,454	(208,036)	3,884,583

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of December 31, 2005	3,373	3,373	3,383,892
Changes in the fiscal year			
New stock issue			9,476
Dividend of surplus (Note)			(62,927)
Net income			557,515
Changes (net) in items other than shareholders' equity	(3,720)	(3,720)	(3,720)
Total changes in the fiscal year	(3,720)	(3,720)	500,344
Balance as of December 31, 2006	(346)	(346)	3,884,236

(Note) Appropriation of earnings resolved at the general meeting of shareholders in March 30, 2006.

(4) Interim Consolidated Statements of Cash Flows

	Interim FY2006 (Jan. 1 – Jun. 30, 2006)	Interim FY2007 (Jan. 1 – Jun. 30, 2007)	FY2006 (Jan. 1 – Dec. 31, 2006)
Account	Thousand yen	Thousand yen	Thousand yen
I. Cash flows from operating activities			
Income before income taxes	364,766	1,288,063	1,046,061
Depreciation and amortization	37,797	32,422	74,123
Impairment losses	17,776	-	43,962
Amortization of goodwill	5,001	5,452	10,915
Increase (decrease) in allowance for doubtful accounts	1,325	(620)	197
Increase in reserve for employees' bonuses	6,464	35,098	7,606
Decrease in allowance for early subscription cancellations	(43,871)	(4,331)	(59,138)
Increase in liability for employees' retirement benefits	5,345	8,616	4,850
Interest and dividend income	(1)	(41)	(5,126)
Interest expenses	804	682	1,370
Gain (loss) on sale of investment securities	(30,000)	3,511	(30,055)
Gain (loss) on disposal and sale of fixed assets	11,327	(11,413)	22,422
Gain on transfer of business	-	(18,000)	-
Decrease (increase) in account receivables	496,376	276,877	(569,912)
Increase in inventories	(124,858)	(630,570)	(101,907)
Increase (decrease) in accounts payable	(611,849)	(322,668)	595,340
Increase (decrease) in accounts payable - other	(115,500)	41,899	(97,839)
Others	(35,706)	(11,123)	148,206
Subtotal	(14,801)	693,857	1,091,078
Interests and dividends received	1	41	5,126
Interests paid	(804)	(682)	(1,370)
Income taxes refund (paid)	(307,646)	(408,990)	(541,817)
Net cash provided by (used in) operating activities	(323,251)	284,225	553,017
II. Cash flows from investing activities			
Payment for purchase of investment securities	(15,250)	(49,083)	(113,502)
Proceeds from sale of investment securities	-	115,571	138,308
Payment for purchase of property, plant and equipment	(82,361)	(71,210)	(120,509)
Proceeds from sale of property, plant and equipment	-	13,315	1,000
Payment for purchase of business	(18,733)	-	(18,733)
Proceeds from transfer of business	-	27,429	-
Payment for leasehold deposits	-	(121,732)	-
Others	88,130	(7,410)	101,551
Net cash used in investing activities	(28,214)	(93,120)	(11,886)
III. Cash flows from financing activities			
Repayment of long-term debt	(107,590)	-	(107,590)
Proceeds from issuance of new shares	7,497	64,005	9,476
Proceeds from disposal of treasury stock	-	25,190	-
Cash dividends paid	(62,656)	(81,665)	(62,919)
Net cash provided by (used in) financing activities	(162,748)	7,529	(161,032)
IV. Increase (decrease) in cash and cash equivalents	(514,214)	198,635	380,098
V. Cash and cash equivalents at beginning of year	1,517,834	1,897,932	1,517,834
VI. Cash and cash equivalents at end of period	1,003,619	2,096,567	1,897,932

Segment Information

a. Operating segment information

Interim FY2006 (Jan. 1 – Jun. 30, 2006)

Thousand yen

	Mobile phone sales business	Network business	Staffing services business	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to third parties	10,663,797	364,020	582,736	11,610,554	-	11,610,554
(2) Internal sales and transfers	-	-	131,973	131,973	[131,973]	-
Total	10,663,797	364,020	714,710	11,742,527	[131,973]	11,610,554
Operating expenses	10,079,848	366,760	726,970	11,173,579	80,069	11,253,648
Operating income (loss)	583,948	(2,740)	(12,260)	568,948	[212,042]	356,905

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 220,066 thousand yen. The undistributed operating expenses generally comprise expenses associated with the administrative division of the Company.

Interim FY2007 (Jan. 1 – Jun. 30, 2007)

Thousand yen

	Mobile phone sales business	Staffing services business	Other business	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to third parties	14,109,961	813,709	117,461	15,041,132	-	15,041,132
(2) Internal sales and transfers	-	75,338	-	75,338	[75,338]	-
Total	14,109,961	889,048	117,461	15,116,471	[75,338]	15,041,132
Operating expenses	12,629,252	891,089	104,418	13,624,760	154,094	13,778,854
Operating income (loss)	1,480,708	(2,041)	13,043	1,491,711	[229,433]	1,262,277

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
 - Staffing services business: Provision of temporary employees to companies, and recruiting and training employees for other companies
 - Other business: Handling applications for fixed-line communication service contracts
- Among operating expenses, the undistributed operating expenses listed under “Eliminations or corporate” amounted to 232,682 thousand yen. The undistributed operating expenses generally comprise expenses associated with the administrative division of the Company.

4. Change in business segment

In prior periods, the Company's operations were classified mainly into three operating segments, “Mobile phone sales business,” “Network business” and “Staffing services business,” however, effective from the previous fiscal year, the Company has renamed the Network Business segment the Other Business segment. This action was taken because net sales, operating income and assets in the former Network Business segment account for less than 10% of these figures for all business segments. Furthermore, the Company plans to significantly downsize the Network Business.

Segment information for Interim FY2006 would be as follows if we used business segmentation for Interim FY2007.

Thousand yen

	Mobile phone sales business	Staffing services business	Other business	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to third parties	10,663,797	582,736	364,020	11,610,554	-	11,610,554
(2) Internal sales and transfers	-	131,973	-	131,973	[131,973]	-
Total	10,663,797	714,710	364,020	11,742,527	[131,973]	11,610,554
Operating expenses	10,079,848	726,970	366,760	11,173,579	80,069	11,253,648
Operating income (loss)	583,948	(12,260)	(2,740)	568,948	[212,042]	356,905

FY2006 (Jan. 1 – Dec. 31, 2006)

Thousand yen

	Mobile phone sales business	Staffing services business	Other business	Total	Elimination or corporate	Consolidated
I. Net sales and operating income						
Net sales						
(1) Sales to third parties	22,579,111	1,310,735	466,525	24,356,373	-	24,356,373
(2) Internal sales and transfers	-	220,287	-	220,287	[220,287]	-
Total	22,579,111	1,531,022	466,525	24,576,660	[220,287]	24,356,373
Operating expenses	20,975,397	1,529,076	587,065	23,091,538	188,676	23,280,215
Operating income (loss)	1,603,714	1,946	(120,539)	1,485,121	[408,963]	1,076,157

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
 - Staffing services business: Provision of temporary employees to companies, and recruiting and training employees for other companies
 - Other business: Handling applications for fixed-line communication service contracts
- Among operating expenses, the undistributed operating expenses listed under "Eliminations or corporate" amounted to 425,038 thousand yen. The undistributed operating expenses generally comprise expenses associated with the administrative division of the Company.
- Assets included in eliminations or corporate total 1,737,559 thousand yen the principal components of which are idle funds under management (cash in banks) and assets of the administration division.

b. Geographical segment information

Interim FY2006 (Jan. 1 – Jun. 30, 2006), Interim FY2007 (Jan. 1 – Jun. 30, 2007), FY2006 (Jan. 1 - Dec. 31, 2006)

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

c. Overseas sales

Interim FY2006 (Jan. 1 – Jun. 30, 2006), Interim FY2007 (Jan. 1 – Jun. 30, 2007), FY2006 (Jan. 1 - Dec. 31, 2006)

The Company operates mainly in Japan and has no overseas sales.

5. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets

Account	Interim FY2006 (As of June 30, 2006)		Interim FY2007 (As of June 30, 2007)		FY2006 (As of Dec. 31, 2006)	
	Thousand yen	%	Thousand yen	%	Thousand yen	%
Assets						
I. Current assets						
1. Cash on hand and in banks	761,854		1,977,680		1,539,392	
2. Accounts receivable -trade	536,367		228,725		479,610	
3. Accounts receivable -other	1,575,907		2,286,864		2,540,533	
4. Inventories	1,175,838		2,013,431		1,392,150	
5. Other current assets	305,717		193,605		244,463	
6. Allowance for doubtful accounts	(4,228)		(1,496)		(1,816)	
Total current assets	4,351,457	68.8	6,698,811	79.3	6,194,333	74.1
II. Fixed assets						
1. Property, plant and equipment	311,132	4.9	432,166	5.1	309,793	3.7
2. Intangible assets	28,077	0.4	103,354	1.2	122,729	1.4
3. Investments and other assets						
(1) Investments in affiliates	765,816		125,173		720,624	
(2) Long-term loans receivable	92,673		102,349		82,511	
(3) Leasehold deposits	514,423		776,213		685,752	
(4) Deferred tax assets	75,579		95,750		91,234	
(5) Others	267,223		184,183		225,896	
(6) Allowance for possible losses on investments	(35,816)		(35,816)		(35,816)	
(7) Allowance for doubtful accounts	(45,057)		(35,846)		(32,897)	
Total investments other assets	1,634,841	25.9	1,212,008	14.4	1,737,306	20.8
Total fixed assets	1,974,051	31.2	1,747,529	20.7	2,169,829	25.9
Total assets	6,325,509	100.0	8,446,340	100.0	8,364,163	100.0

Account	Interim FY2006 (As of June 30, 2006)		Interim FY2007 (As of June 30, 2007)		FY2006 (As of Dec. 31, 2006)				
	Thousand yen	%	Thousand yen	%	Thousand yen	%			
Liabilities									
I. Current liabilities									
1. Accounts payable - trade	1,265,630		2,097,366		2,353,197				
2. Accounts payable - other	522,426		239,492		767,912				
3. Accrued income taxes	100,664		598,278		198,672				
4. Reserve for employees' bonuses	50,788		86,919		51,759				
5. Reserve for loss on short-term contract cancellations	27,662		14,481		18,812				
6. Other current liabilities	492,170		748,367		924,194				
Total current liabilities		2,459,342	38.9		3,784,904	44.8		4,314,549	51.6
II. Long-term liabilities									
1. Liability for employees' retirement benefits	27,309		35,249		26,208				
2. Other long-term liabilities	77,819		49,597		55,372				
Total long-term liabilities		105,128	1.6		84,846	1.0		81,581	1.0
Total liabilities		2,564,471	40.5		3,869,751	45.8		4,396,130	52.6
Net assets									
I. Shareholders' equity									
1. Common stock		1,089,889	17.2		1,122,881	13.3		1,090,878	13.0
2. Capital surplus									
(1) Additional paid-in capital	1,544,296			1,577,289			1,545,286		
(2) Other capital surplus	-			4,067			-		
Total capital surplus		1,544,296	24.5		1,581,356	18.7		1,545,286	18.5
3. Retained earnings									
(1) Legal reserve	8,078			8,078			8,078		
(2) Other retained earnings									
Retained earnings brought forward	1,324,280			2,051,186			1,532,172		
Total retained earnings		1,332,358	21.1		2,059,265	24.4		1,540,250	18.4
4. Treasury stock		(208,036)	(3.3)		(186,913)	(2.2)		(208,036)	(2.5)
Total shareholders' equity		3,758,507	59.5		4,576,589	54.2		3,968,379	47.4
II. Valuation and translation adjustments									
1. Net unrealized holding gain on securities		2,529	0.0		-	-		(346)	(0.0)
Total valuation and translation adjustments		2,529	0.0		-	-		(346)	(0.0)
Total net assets		3,761,037	59.5		4,576,589	54.2		3,968,033	47.4
Total liabilities and net assets		6,325,509	100.0		8,446,340	100.0		8,364,163	100.0

(2) Interim Non-consolidated Statements of Income

Account	Interim FY2006 (Jan. 1 – Jun. 30, 2006)		Interim FY2007 (Jan. 1 – Jun. 30, 2007)		FY2006 (Jan. 1 – Dec. 31, 2006)	
	Thousand yen	%	Thousand yen	%	Thousand yen	%
I. Net sales	8,931,846	100.0	14,223,434	100.0	18,572,911	100.0
II. Cost of goods sold	7,038,041	78.8	10,784,945	75.8	14,593,308	78.6
Gross profit	1,893,805	21.2	3,438,489	24.2	3,979,602	21.4
III. Selling, general and administrative expenses	1,674,801	18.7	2,192,060	15.4	3,272,854	17.6
Operating income	219,004	2.5	1,246,428	8.8	706,747	3.8
IV. Non-operating income	35,345	0.4	9,695	0.1	71,150	0.4
V. Non-operating expenses	16,095	0.2	7,900	0.1	35,133	0.2
Ordinary income	238,254	2.7	1,248,223	8.8	742,764	4.0
VI. Extraordinary income	31,260	0.3	30,018	0.2	40,112	0.2
VII. Extraordinary loss	36,699	0.4	9,567	0.1	119,999	0.6
Income before income taxes	232,815	2.6	1,268,673	8.9	662,878	3.6
Income taxes - current	92,899		700,040		353,490	
Income taxes - deferred	23,703	116,603	(32,354)	667,685	(14,717)	338,773
Net income		116,212		600,987		324,104

(3) Interim Non-consolidated Statement of Changes in Shareholders' Equity

Interim FY2006 (Jan. 1 – Jun. 30, 2006)

Thousand yen

	Shareholders' equity							
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Total capital surplus		Other retained earnings	Total retained earnings		
Balance as of Dec. 31, 2005	1,086,140	1,540,547	1,540,547	8,078	1,270,995	1,279,073	(208,036)	3,697,725
Changes in the period								
New stock issue	3,748	3,748	3,748					7,497
Dividend of surplus					(62,927)	(62,927)		(62,927)
Net income					116,212	116,212		116,212
Changes (net) in items other than shareholders' equity								
Total changes in the period	3,748	3,748	3,748		53,284	53,284		60,782
Balance as of Jun. 30, 2006	1,089,889	1,544,296	1,544,296	8,078	1,324,280	1,332,358	(208,036)	3,758,507

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of Dec. 31, 2005	3,373	3,373	3,701,099
Changes in the period			
New stock issue			7,497
Dividend of surplus			(62,927)
Net income			116,212
Changes (net) in items other than shareholders' equity	(843)	(843)	(843)
Total changes in the period	(843)	(843)	59,938
Balance as of Jun. 30, 2006	2,529	2,529	3,761,037

Interim FY2007 (Jan. 1 – Jun. 30, 2007)

Thousand yen

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance as of Dec. 31, 2006	1,090,878	1,545,286		1,545,286	8,078	1,532,172	1,540,250	(208,036)	3,968,379
Changes in the period									
New stock issue	32,002	32,002		32,002					64,005
Dividend of surplus						(81,973)	(81,973)		(81,973)
Net income						600,987	600,987		600,987
Disposal of treasury stock			4,067	4,067				21,122	25,190
Changes (net) in items other than shareholders' equity									
Total changes in the period	32,002	32,002	4,067	36,070		519,014	519,014	21,122	608,209
Balance as of Jun. 30, 2007	1,122,881	1,577,289	4,067	1,581,356	8,078	2,051,186	2,059,265	(186,913)	4,576,589

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of Dec. 31, 2006	(346)	(346)	3,968,033
Changes in the period			
New stock issue			64,005
Dividend of surplus			(81,973)
Net income			600,987
Disposal of treasury stock			25,190
Changes (net) in items other than shareholders' equity	346	346	346
Total changes in the period	346	346	608,556
Balance as of Jun. 30, 2007	-	-	4,576,589

	Shareholders' equity							
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Total capital surplus		Other retained earnings	Total retained earnings		
Balance as of Dec. 31, 2005	1,086,140	1,540,547	1,540,547	8,078	1,270,995	1,279,073	(208,036)	3,697,725
Changes in the fiscal year								
New stock issue	4,738	4,738	4,738					9,476
Dividend of surplus (Note)					(62,927)	(62,927)		(62,927)
Net income					324,104	324,104		324,104
Changes (net) in items other than shareholders' equity								
Total changes in fiscal year	4,738	4,738	4,738		261,177	261,177		270,654
Balance as of Dec. 31, 2006	1,090,878	1,545,286	1,545,286	8,078	1,532,172	1,540,250	(208,036)	3,968,379

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of Dec. 31, 2005	3,373	3,373	3,701,099
Changes in the fiscal year			
New stock issue			9,476
Dividend of surplus (Note)			(62,927)
Net income			324,104
Changes (net) in items other than shareholders' equity	(3,720)	(3,720)	(3,720)
Total changes in the fiscal year	(3,720)	(3,720)	266,933
Balance as of Dec. 31, 2006	(346)	(346)	3,968,033

(Note) Appropriation of earnings resolved at the general meeting of shareholders in March 30, 2006.

* 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.