

Non-consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2009 (Six Months Ended June 30, 2009)

Company name: Bell-Park Co., Ltd. Stock exchange listing: JASDAQ
 Stock code: 9441 URL: <http://www.bellpark.co.jp>
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 Scheduled date of filing of Quarterly Report: July 30, 2009
 Scheduled date of payment of dividend: -

(Figures are rounded down to the nearest million yen)

1. Financial Results for the Six Months Ended July 30, 2009 (January 1 – June 30, 2009)

(1) Results of operations *(Percentages represent year-on-year changes)*

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Jun. 30 2009	20,270	-	1,402	-	1,392	-	743	-
Six months ended Jun. 30 2008	15,940	12.1	457	(63.3)	464	(62.8)	360	(40.0)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Six months ended Jun. 30 2009	12,321.76	-
Six months ended Jun. 30 2008	5,600.33	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2009	13,647	6,230	45.7	103,247.91
As of Dec. 31, 2008	12,109	5,565	46.0	92,226.15

Reference) Shareholders' equity (million yen) Jun. 30, 2009: 6,230 Dec. 31, 2008: 5,565

2. Dividends

Record date	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2008	-	-	-	1,300.00	1,300.00
Year ending Dec. 31, 2009	-	-	-	-	-
Year ending Dec. 31, 2009 (forecast)	-	-	-	1,300.00	1,300.00

Note) Revision of dividend forecast during the period: None

3. Forecasts for the Fiscal Year Ending December 31, 2009 (January 1 – December 31, 2009)

(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	42,000	29.5	2,120	50.4	2,100	50.5	1,050	(6.4)	17,399.37

Note) Revision of forecast during the period: None

4. Others

(1) Application of simplified accounting methods and special accounting methods in the preparation of quarterly financial statements: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 4 for further information.

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 4 for further information.

(3) Number of shares outstanding (common shares)

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

As of Jun. 30, 2009:	66,928 shares	As of Dec. 31, 2008:	66,928 shares
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2) Number of treasury stock at the end of period

As of Jun. 30, 2009:	6,581 shares	As of Dec. 31, 2008:	6,581 shares
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3) Average number of shares outstanding during the period

Six months ended Jun. 30, 2009:	60,347 shares	Six months ended Jun. 30, 2008:	64,348 shares
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* Cautionary statement with respect to forward-looking statements

1. The earnings forecasts have been prepared based on assumptions judged to be valid and information available as of the announcement date of this summary. Actual results may differ substantially from these forecasts for a number of factors. Please refer to “Qualitative Information and Financial Statements, 3. Qualitative Information Regarding Forecasts” on page 4 for assumptions for forecasts and notes of caution for usage.

2. Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly financial statements are prepared in accordance with “Regulations for Quarterly Financial Statements.”

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Operating Results

In the second quarter of 2009, the global financial crisis originating with the U.S. subprime mortgage crisis continued to hold back Japan's economy. In particular, there have been steep declines in corporate earnings and employment. However, there are some signs of a recovery, including upturns in exports, production and consumer spending.

In Japan's mobile phone market, the cumulative number of subscribers at the four communications carriers is more than 108 million. In the second quarter of 2009 (April-June), there was a net increase of about one million in the number of subscribers, 8.5% more than the net increase of about 920,000 subscribers in the second quarter of 2008.

SoftBank Mobile ("SoftBank"), the primary communications carrier handled by Bell-Park, extended two marketing campaigns for new subscribers. One is the "White Plan Student with Family Discount," which was started in February 2009 and has been extremely popular. The other is a campaign featuring a discounted price for the iPhone™3G of Apple along with a reduction in the maximum fee for the flat-rate "packet" telecommunications service package for iPhone users. In addition, Bell-Park is benefiting from growth in replacement demand for handsets. One reason for this demand is SoftBank's plan to terminate its second-generation service at the end of March 2010. As a result, SoftBank is encouraging second-generation subscribers to switch to the third-generation service. Another reason is subscription renewals after the completion of installment payment agreements for customers who used this system to buy a handset after the installment payment option was introduced in October 2006. SoftBank has been running highly successful TV commercials and conducting other high-profile advertising activities. As a result, SoftBank has ranked first in Japan for 26 consecutive months, starting in May 2007, in terms of the net increase in subscribers.

In this environment, Bell-Park focused on strengthening sales capabilities in order to take full advantage of these aggressive marketing activities of SoftBank. Other priorities are building a highly profitable sales network in order to maintain a high sales volume and improving the quality of sales activities. Bell-Park significantly enlarged its sales network by acquiring 58 SoftBank shops during the second quarter. This resulted in 123 directly managed shops and 50 franchised shops, a total of 173 locations, at the end of June 2009. Due to this larger shop network, new handset sales increased 22.0% to 49,433 units and replacement sales increased 70.6% to 56,143 units. In all, handset sales totaled 105,576 units, 43.7% higher than one year earlier.

To improve the quality of sales activities, Bell-Park is upgrading sales activities to reflect the policies of communications carriers. These carriers have commission structures that are designed to prevent short-term subscription cancelations and to encourage the use of new services that meet customers' needs. Measures to upgrade sales activities allowed Bell-Park to earn a high volume of commissions during the second quarter of 2009.

Due to the above factors, for the second quarter of 2009, net sales increased 50.5% to 10,834 million yen, operating income increased 456.2% to 914 million yen, ordinary income increased 443.1% to 914 million yen, and net income increased 124.5% to 483 million yen.

For the first half of 2009, net sales increased 27.2% to 20,270 million yen, operating income increased 206.8% to 1,402 million yen, ordinary income increased 199.8% to 1,392 million yen, and net income increased 106.3% to 743 million yen.

Prior-year comparisons are provided solely for reference.

2. Qualitative Information Regarding Financial Position

Total assets increased 1,537 million yen over the end of the previous fiscal year to 13,647 million yen as of June 30, 2009.

Current assets increased 1,098 million yen to 11,261 million yen. This was primarily the net result of a 1,664 million yen decrease in cash and deposits, increases of 1,674 million yen in accounts receivable-trade, and 971 million yen in inventories.

Noncurrent assets increased to 2,385 million yen, the result of increases of 78 million in property, plant and equipment as the number of shops increased, 179 million yen in intangible assets and 181 million yen in investments and other assets.

Current liabilities increased 1,036 million yen to 6,150 million yen. There was a 1,360 million yen decrease in short-term loans payable but a 1,968 million yen increase in accounts payable-trade and 517 million yen increase in income taxes payable.

Noncurrent liabilities totaled 1,266 million yen. There was a 162 million yen decrease in long-term loans payable.

Net assets totaled 6,230 million yen mainly because of an increase in retained earnings of 665 million yen. The equity ratio was 45.7% at the end of the second quarter.

Cash flows

There was a decrease of 1,664 million yen in cash and cash equivalents during the first half of 2009, to 3,142 million yen as of June 30, 2009.

Cash flows were as follows.

Net cash provided by operating activities was 651 million yen. This was a net result of income before income taxes of 1,381 million yen, an increase in notes and accounts receivable-trade of 1,674 million yen, an increase in inventories of 743 million yen, a decrease in accrued consumption taxes of 181 million yen, an increase in notes and accounts payable-trade of 1,968 million yen, and an income taxes paid of 142 million yen.

Net cash used in investing activities was 777 million yen. There were payments of 680 million yen for transfer of business and payments of 48 million yen for lease deposits.

Net cash used in financing activities was 1,537 million yen. There were decreases in short-term loans payable of 1,360 million yen and long-term loans payable of 100 million yen, and cash dividends paid of 77 million yen.

3. Qualitative Information Regarding Forecasts

There are no changes to the revised forecasts for the fiscal year ending December 31, 2009, announced on July 6, 2009 in the press release "Notice of Revision to Forecasts."

4. Others

(1) Application of simplified accounting methods and special accounting methods in the preparation of quarterly financial statements

For assets subject to the declining-balance method, depreciation for the period was calculated pro rata based on the amount for the full-year of the current fiscal year.

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

Effective from the current fiscal year, the Company has adopted "Accounting Standards for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14). In addition, the quarterly financial statements are prepared in accordance with "Regulations for Quarterly Financial Statements."

5. Non-consolidated Quarterly Financial Statements**(1) Non-consolidated Quarterly Balance Sheets**

	<i>Thousand yen</i>	
	As of Jun. 30, 2009	As of Dec. 31, 2008
Assets		
Current assets		
Cash and deposits	3,142,587	4,806,737
Accounts receivable-trade	5,029,652	3,355,474
Inventories	2,716,669	1,745,590
Other	372,954	257,404
Allowance for doubtful accounts	(15)	(1,609)
Total current assets	<u>11,261,849</u>	<u>10,163,597</u>
Noncurrent assets		
Property, plant and equipment	619,397	540,832
Intangible assets	300,260	121,099
Investments and other assets		
Stocks of subsidiaries and affiliates	73,531	73,531
Lease deposits	1,120,961	956,025
Other	272,237	254,130
Allowance for doubtful accounts	(1,050)	-
Total investments and other assets	<u>1,465,680</u>	<u>1,283,688</u>
Total noncurrent assets	<u>2,385,338</u>	<u>1,945,620</u>
Total assets	<u>13,647,188</u>	<u>12,109,217</u>
Liabilities		
Current liabilities		
Accounts payable-trade	4,219,209	2,250,997
Short-term loans payable	-	1,360,000
Current portion of long-term loans payable	262,500	200,000
Income taxes payable	668,834	151,771
Provision for bonuses	105,493	87,280
Allowance for early subscription cancelations	7,228	14,260
Other	887,125	1,049,402
Total current liabilities	<u>6,150,391</u>	<u>5,113,713</u>
Noncurrent liabilities		
Long-term loans payable	1,137,500	1,300,000
Provision for retirement benefits	47,733	41,744
Other	80,861	88,187
Total noncurrent liabilities	<u>1,266,095</u>	<u>1,429,932</u>
Total liabilities	<u>7,416,486</u>	<u>6,543,646</u>
Net assets		
Shareholders' equity		
Capital stock	1,123,904	1,123,904
Capital surplus	1,587,757	1,587,757
Retained earnings	3,970,479	3,305,349
Treasury stock	(451,440)	(451,440)
Total shareholders' equity	<u>6,230,701</u>	<u>5,565,571</u>
Total net assets	<u>6,230,701</u>	<u>5,565,571</u>
Total liabilities and net assets	<u>13,647,188</u>	<u>12,109,217</u>

(2) Non-consolidated Quarterly Statements of Income
(For the Six-month Period)

	<i>Thousand yen</i>
	Jan. 1 – Jun. 30, 2009
Net sales	20,270,794
Cost of sales	15,866,257
Gross profit	4,404,536
Selling, general and administrative expenses	
Salaries	893,664
Other salaries	209,586
Provision for bonuses	105,493
Retirement benefit expenses	15,218
Rents	491,227
Other	1,286,468
Total selling, general and administrative expenses	3,001,658
Operating income	1,402,878
Non-operating income	
Interest income	303
Rent income	3,600
Gain on donation of gift certificates	3,384
Other	8,220
Total non-operating income	15,509
Non-operating expenses	
Interest expenses	18,892
Other	7,145
Total non-operating expenses	26,037
Ordinary income	1,392,349
Extraordinary income	
Gain on sales of noncurrent assets	1
Total extraordinary income	1
Extraordinary loss	
Loss on retirement of noncurrent assets	5,231
Shop closures expenses	5,553
Total extraordinary losses	10,784
Income before income taxes	1,381,566
Income taxes-current	652,956
Income taxes-deferred	(14,971)
Total income taxes	637,985
Net income	743,581

(3) Non-consolidated Quarterly Statements of Cash Flows

	<i>Thousand yen</i>
	Jan. 1 – Jun. 30, 2009
Net cash provided by (used in) operating activities	
Income before income taxes	1,381,566
Depreciation and amortization	63,516
Amortization of goodwill	27,790
Increase (decrease) in allowance for doubtful accounts	(543)
Increase (decrease) in provision for bonuses	18,212
Increase (decrease) in provision for retirement benefits	5,989
Interest and dividends income	(303)
Interest expenses	18,892
Loss (gain) on sales of noncurrent assets	(1)
Loss on retirement of noncurrent assets	5,231
Decrease (increase) in notes and accounts receivable-trade	(1,674,178)
Decrease (increase) in inventories	(743,434)
Increase (decrease) in notes and accounts payable-trade	1,968,211
Increase (decrease) in accounts payable-other	(67,720)
Increase (decrease) in accrued consumption taxes	(181,041)
Other, net	(15,125)
Subtotal	<u>807,061</u>
Interest and dividends income received	303
Interest expenses paid	(13,072)
Income taxes (paid) refund	(142,792)
Net cash provided by (used in) operating activities	<u>651,500</u>
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(16,890)
Proceeds from sales of property, plant and equipment	1
Purchase of intangible assets	(9,249)
Payments for transfer of business	(680,970)
Payments for lease deposits	(48,710)
Other, net	(22,094)
Net cash provided by (used in) investing activities	<u>(777,915)</u>
Net cash provided by (used in) financing activities	
Decrease in short-term loans payable	(1,360,000)
Repayment of long-term loans payable	(100,000)
Cash dividends paid	(77,735)
Net cash provided by (used in) financing activities	<u>(1,537,735)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,664,149)</u>
Cash and cash equivalents at beginning of period	<u>4,806,737</u>
Cash and cash equivalents at end of period	<u>3,142,587</u>

Effective from the current fiscal year, the Company has adopted "Accounting Standards for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14). In addition, the quarterly financial statements are prepared in accordance with "Regulations for Quarterly Financial Statements."

(4) Going Concern Assumption

No reportable information.

(5) Significant Changes in Shareholders' Equity

No reportable information.

Reference Material**Financial Statements, etc of the Previous Quarter****Interim Non-consolidated Statements of Income***Thousand yen*

Account	Jan. 1 – Jun. 30, 2008	
	Amount	%
I Net sales	15,940,360	100.0
II Cost of sales	12,570,679	78.9
Gross profit	3,369,680	21.1
III Selling, general and administrative expenses	2,912,469	18.2
Operating income	457,211	2.9
IV Non-operating income	13,966	0.0
V Non-operating expenses	6,723	0.0
Ordinary income	464,454	2.9
VI Extraordinary income	192,908	1.2
VII Extraordinary loss	8,727	0.0
Income before income taxes	648,634	4.1
Income taxes-current	190,342	
Income taxes-deferred	97,919	288,261
Net income		360,373
		2.3

** 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.*