

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 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 General Meeting of Shareholders: March 26, 2010
 Scheduled date of filing of Annual Securities Report: March 26, 2010
 Scheduled date of payment of dividend: March 29, 2010

(Figures are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Year Ended December 31, 2009 (January 1 – December 31, 2009)

(1) Results of operations

(Percentages shown for net sales, operating income, ordinary income and net income represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 31, 2009	46,890	44.6	3,576	153.7	3,550	154.5	2,046	82.3
Year ended Dec. 31, 2008	32,437	9.5	1,409	(14.4)	1,395	(15.5)	1,122	38.8

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 31, 2009	33,172.74	33,165.24	29.6	24.4	7.6
Year ended Dec. 31, 2008	17,758.81	-	-	-	-

Reference) Equity in earnings of affiliates (million yen) Dec. 31, 2009: (4) Dec. 31, 2008: (6)

Note) Figures for return on equity, ratio of ordinary income to total assets and ratio of operating income to net sales are not shown for 2008 because Bell-Park prepared consolidated financial statements for that year.

(Reference) Consolidated results of operations for 2008

Return on equity: 22.2%

Ratio of ordinary income to total assets: 12.8%

Ratio of operating income to net sales: 4.4%

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2009	16,978	8,245	48.6	123,195.62
As of Dec. 31, 2008	12,109	5,565	46.0	92,226.15

Reference) Shareholders' equity (million yen) Dec. 31, 2009: 8,245 Dec. 31, 2008: 5,565

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 31, 2009	2,689	(815)	(932)	5,747
Year ended Dec. 31, 2008	-	-	-	-

Note) No figures for 2008 are shown because Bell-Park prepared consolidated financial statements for that year.

(Reference) Consolidated cash flows for 2008 (million yen)

Cash flows from operating activities: 830 Cash flows from investing activities: (73)

Cash flows from financing activities: 2,502 Cash and cash equivalents at end of period: 4,814

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio	Dividend on equity
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 31, 2008	-	0.00	-	1,300.00	1,300.00	78	-	-
Year ended Dec. 31, 2009	-	0.00	-	2,600.00	2,600.00	174	7.8	2.4
Year ending Dec. 31, 2010 (forecast)	-	0.00	-	2,600.00	2,600.00		-	

Note) Figures for dividend payout ratio and dividend on equity are not shown for 2008 because Bell-Park prepared consolidated financial statements for that year.

(Reference) Dividends for 2008

Dividend payout ratio: 7.2%

Dividend on equity: 1.6%

3. Forecasts for the Fiscal Year Ending December 31, 2010 (January 1 – December 31, 2010)*(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
First half	30,000	48.0	1,500	6.9	1,500	7.7	800	7.6	11,953.14
Full year	56,000	19.4	2,800	(21.7)	2,800	(21.1)	1,500	(26.7)	22,412.14

4. Others

(1) Change in significant accounting policies

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

(2) Number of shares outstanding (common shares)

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

As of Dec. 31, 2009: 66,928 shares As of Dec. 31, 2008: 66,928 shares

2) Number of treasury stock at the end of period

As of Dec. 31, 2009: - shares As of Dec. 31, 2008: 6,581 shares

* 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," on page 3 for further information concerning these forecasts.

1. Results of Operations

(1) Analysis of Results of Operations

1) Summary

In 2009, corporate earnings plunged and unemployment remained high in Japan due to the effects of the global recession sparked by the financial crisis. Although the Japanese economy is currently showing signs of a recovery, a self-sustainable rebound is unlikely to occur. Furthermore, deflationary forces are causing prices to decline slowly. As a result, Japan's economy still faces many challenges.

In Japan's mobile phone market, Bell-Park's business field, the cumulative number of subscribers at the four communications carriers is more than 110 million. In the fiscal year under review (January-December 2009), there was a net increase of about 4.79 million in the number of subscribers, 9.6% less than the net increase of about 5.30 million subscribers in the previous fiscal year (January-December 2008).

SOFTBANK MOBILE, which is the primary mobile telecommunications carrier that Bell-Park handles, introduced the iPhone™3GS and other new handsets in 2009 that contributed to strong sales to new subscribers. In addition, there were strong sales of replacement handsets. One reason was a SOFTBANK MOBILE's continuing campaign encouraging 2G subscribers to switch to the 3G service because the 2G service will be terminated at the end of March 2010. Another reason was strong replacement demand from subscribers who have completed installment payments, which were introduced in October 2006, on their current handsets. In addition, SOFTBANK MOBILE has been conducting extensive marketing activities, ranking first for the past three years for the effectiveness of its TV commercials. Moreover, SOFTBANK MOBILE has placed first in Japan for the past two years based on the net increase in subscribers.

In this environment, Bell-Park rapidly incorporates the measures demanded by SOFTBANK MOBILE in store operations in order to take full advantage of SOFTBANK MOBILE's aggressive marketing activities. Another priority of 2009 was building a highly profitable store network in order to maintain a high volume of both sales to new subscribers and sales of replacement handsets. Bell-Park enlarged its sales network by adding 65 SoftBank shops during 2009. This resulted in 125 directly managed shops and 50 franchised shops, a total of 175 shops, at the end of December 2009. Furthermore, today's market conditions require that sales commissions of telecommunications carriers be structured to achieve an improvement in the quality of sales as well as growth in sales volume. In response, while increasing the total number of handsets sold, Bell-Park focused on improving the quality of sales and raising sales per customer. To accomplish this, Bell-Park took steps aimed at preventing short-term cancelations and encouraging customers to use new services that meet their needs. By taking actions to increase the quantity and quality of sales in response to the policies of SOFTBANK MOBILE, Bell-Park earned a high volume of commissions in the fiscal year. As a result, sales to new subscribers increased 32.8% to 228,289 units and sales of replacement handsets increased 48.2% to 233,993 units. In all, handset sales totaled 462,282 units, 40.1% higher than one year earlier.

Due to the above factors, net sales increased 44.6% year on year to 46,890 million yen, operating income increased 153.7% to 3,576 million yen, ordinary income increased 154.5% to 3,550 million yen, and net income increased 82.3% to 2,046 million yen.

(Note concerning switch to non-consolidated financial statements in 2009)

Bell-Park prepared consolidated financial statements in years prior to 2009 but switched to non-consolidated financial statements in 2009 because there are no longer any consolidated subsidiaries.

2) Outlook for the next fiscal year

The Japanese economy is currently starting to recover. However, the operating environment is expected to remain challenging because the current upturn is unlikely to become a self-sustainable recovery and deflation is still bringing down prices slowly.

Despite this difficult economic environment, demand for mobile phone handsets is expected to remain at least at a consistent level due to steady replacement demand and other factors. Mobile phones have become an indispensable item that people use every day. Furthermore, handsets can be purchased for just a few thousand yen per month, which is much less than high-priced consumer durables like automobiles. In addition, mobile phones wear out after two or three years of use and more demand is expected for handsets designed for data communications. Replacement demand is also supported by the increasing number of users who purchased handsets using two-year installment payment plans that are now reaching completion.

SOFTBANK MOBILE plans to start numerous marketing initiatives early in 2010. One is the introduction of the "White Plan Student with Family Discount 2010" during the spring selling season, which targets students and their families. In February, it plans to introduce the "Wi-Fi Value Plan" for Wi-Fi handsets (wireless LAN compatible models) and the iPhone™. This service includes a fixed-price packet service, optional Wi-Fi service, and a discounted handset. In addition, it plans to enlarge its lineup of mobile phones. One notable addition will be smart phones that use the Android operating system that was developed by Google.

Based in this outlook, we expect an increase in total sales volume in 2010. Meanwhile, SOFTBANK MOBILE has proposed new terms for sales commissions. Discussions are now under way to determine the new commission structure. Based on a simulation that uses the SOFTBANK MOBILE proposal, we believe that the new structure will cause our commission fee to decrease. We will continue to conduct negotiations with the goal of achieving terms that preserve the present level of earnings. Furthermore, we are taking actions to increase total sales volume and the profitability of shops by combining sales activities with consulting services.

Based on this outlook, Bell-Park is forecasting net sales of 56,000 million yen (up 19.4% year on year), operating income of 2,800 million yen (down 21.7%), ordinary income of 2,800 million yen (down 21.1%) and net income of 1,500 million yen (down 26.7%) for the fiscal year ending on December 31, 2010.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Total assets increased 4,869 million yen over the end of the previous fiscal year to 16,978 million yen as of December 31, 2009. The main reasons were a 940 million yen increase in cash and deposits, a 2,362 million yen increase in notes and accounts receivable-trade, and a 1,088 million yen increase in inventories. The increase in cash and deposits is explained in "2) Cash flows" below.

Liabilities increased 2,189 million yen to 8,733 million yen. There were a 2,414 million yen increase in notes and accounts payable-trade, a 1,261 million yen increase in income taxes payable, a 166 million yen increase in deposits received, a 1,360 million yen decrease in short-term loans payable, and a 325 million yen decrease in long-term loans payable.

Net assets increased 2,679 million yen to 8,245 million yen. This was mainly the result of net income of 2,046 million yen, a gain of 260 million yen from the disposal of treasury stock for the secondary stock offering and an increase of 451 million yen from the decrease in treasury stock.

2) Cash flows

There was an increase of 940 million yen in cash and cash equivalents during the current fiscal year, to 5,747 million yen as of December 31, 2009.

Net cash provided by operating activities was 2,689 million yen. This was mainly the net result of income before income taxes of 3,517 million yen, an increase in notes and accounts payable-trade of 2,414 million yen, an increase in notes and accounts receivable-trade of 2,362 million yen, an increase in inventories of 831 million yen, and income taxes paid of 312 million yen.

Net cash used in investing activities was 815 million yen. There were proceeds of 124 million yen from collection of lease deposits, payments of 97 million yen for purchase of property, plant and equipment, 740 million yen for transfer of business and 83 million yen for lease deposits.

Net cash used in financing activities was 932 million yen. There were proceeds of 705 million yen from sales of treasury stock, a 1,360 million yen decrease in short-term loans payable, and a repayment of long-term loans payable of 200 million yen.

(Reference) Trends in cash flow indicators were as follows:

	2007 (consolidated)	2008 (consolidated)	2009
Shareholders' equity ratio (%)	46.4	45.8	48.6
Shareholders' equity ratio at market cap (%)	56.4	31.0	47.3
Interest-bearing debt to cash flow ratio (years)	-	3.4	0.5
Interest coverage ratio	295.0	32.9	103.7

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.

* Figures for 2007 and 2008 are based on consolidated financial statements and figures for 2009 are based on non-consolidated financial statements.

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

* Net cash provided by (used in) operating activities on the statements of cash flows is used as operating cash flow. Interest expenses paid on the statements of cash flows is used as interest payments.

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

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 Company's operating results, expansion of sales network, strengthening its management framework and support aggressive future business expansion.

In accordance with this policy, the Company increased the year-end dividend per share applicable to 2009 to 2,600 yen from the 1,300 yen in 2008 because of the substantial growth in earnings in 2009. The Company also intends to distribute a year-end dividend of 2,600 yen per share for 2010.

(4) Business Risks

The following is a list of the primary items that represent risks with regard to the Bell-Park's business activities. The Company actively 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. Recognizing that these risks may occur, the Company has a policy of taking steps to prevent their occurrence and to prepare responses.

1) Reliance on a particular brand

SoftBank brand accounts for nearly 100% of the products that Bell-Park purchases and sells. As a result, the timing of SoftBank brand product introductions, the popularity of new services and rate plans, and SoftBank's advertising and marketing activities can have a significant impact on the Company's results of operations. Furthermore, if the SoftBank Group is unable to develop products that are more appealing than those of competitors or suffers damage to its public image due to a violation of a law or regulation, the resulting effect on this group's performance could have a significant impact on the Company's results of operations.

2) Reliance on a particular vendor

i) Terms and conditions of business

The earnings of Bell-Park come from sales of mobile phones and commission fee for acting as an agent in the sale of mobile phones and communication service contracts. Sales of mobile phones are usually unprofitable because, due to the nature of this business, handsets are frequently sold to individuals at prices that are below the cost. A profit is earned because this loss is offset by the commission fee from mobile communication carriers.

SOFTBANK MOBILE accounted for 36.9% of Bell-Park's non-consolidated sales in 2008 and 44.8% in 2009 and 97.4% of commission fee in 2008 and 98.8% in 2009.

Depending on changes in the business policies of SOFTBANK MOBILE, there may be revisions in terms affecting the commission fee, such as the amount paid, period over which commissions are paid, services for which commissions are paid, proportion of each subscription line's calling charges and other items. A major change in these terms could have a significant impact on the Company's results of operations.

Products purchased from SOFTBANK MOBILE accounted for 99.1% of all products purchased by Bell-Park in 2008 on a non-consolidated basis and 98.1% in 2009. Consequently, just as with the commission fee that are described above, a significant change in the procurement terms for SOFTBANK MOBILE products could have a significant impact on the Company's results of operations.

ii) Sales agent contract

The Company 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.

iii) 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 Company's plans for new shops and its results of operations.

3) 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.

4) Competition with other mobile phone retailers

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

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

5) Mobile Business Study Group

Based on the final report of the Mobile Business Study Group, the Ministry of Internal Affairs and Communications proposed that carriers offer rate plans in which communications charges are separate from the price of the handset (split plans). Installment sales of mobile phone handsets proliferated rapidly after carriers began introducing these split plans.

The study group also examined a broad range of other issues, including the elimination of SIM locks (see note). Depending on the direction taken by the study group, there could be a serious impact on the entire mobile phone market.

(Note) 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.

6) Customer information

With respect to the leakage of customer information, the Company is striving to reinforce its internal management system through means including employee training. However, in the event of an inadvertent leak of customer information, there could be an adverse impact on the Company's financial condition and operating results due to erosion in public confidence or a requirement to pay financial damages. In addition, there may be an increase in expenses required to establish a customer information protection system in the future.

2. Corporate Group

The Bell-Park group of companies is made up of Bell-Park Co., Ltd., and an affiliate. The Group is engaged in the mobile phone sales business, which mainly involves the sale of mobile phones.

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

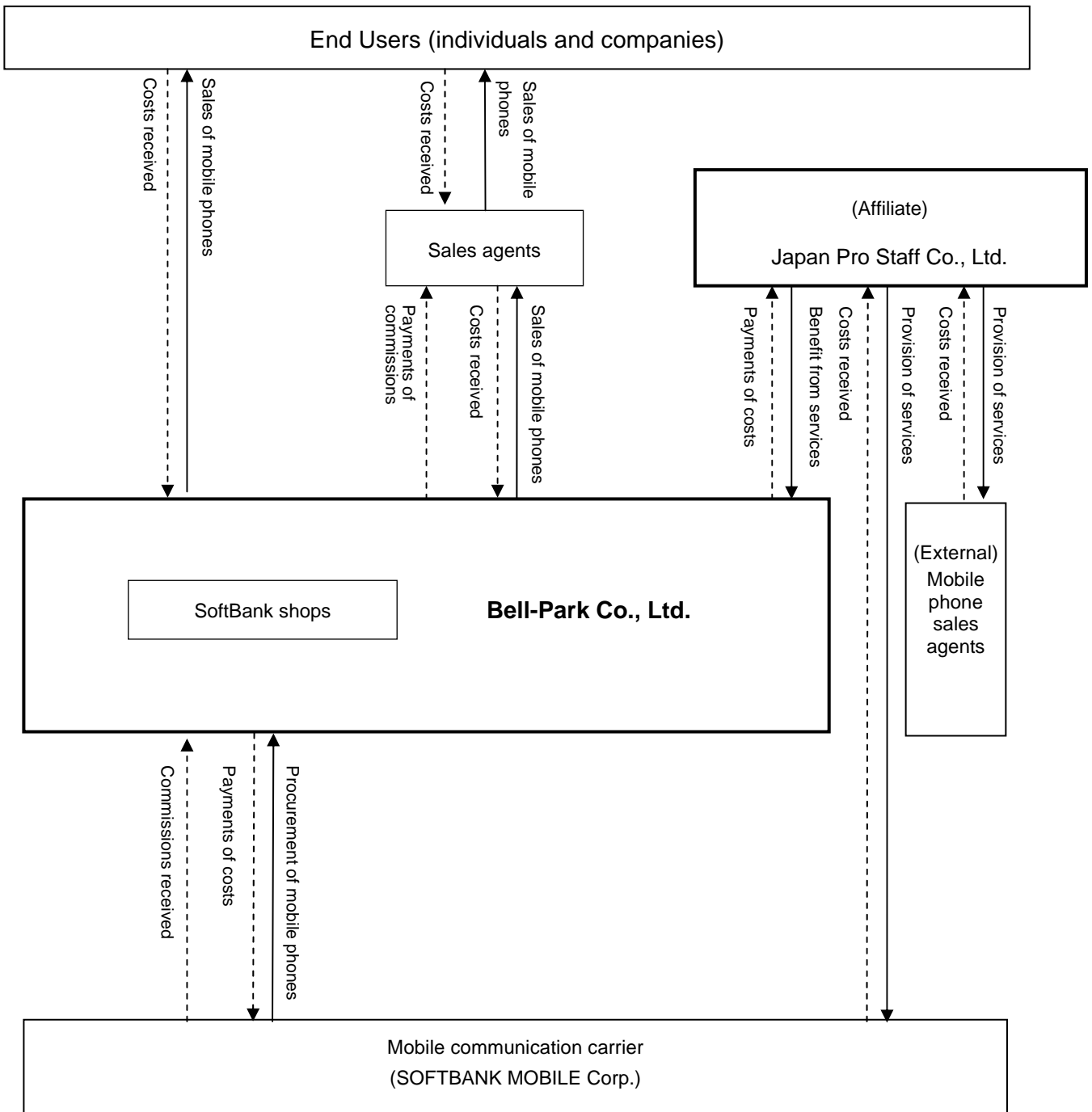
Bell-Park Co., Ltd. is engaged mainly in the following activities.

- 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

Affiliate 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) Recruits employees for companies.

A flowchart of business operations is shown below.



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

Bell-Park's medium- and long-term strategy is to build a highly profitable store network and bolster sales capabilities in the mobile phone sales business. To execute these strategies and generate new sources of growth, the Company believes that the achieving steady profits and reliable procurement of funds are the key factors. Therefore, the Company is placing emphasis on (1) increasing ordinary income and (2) increasing cash flow margin.

(3) Medium- and Long-term Strategies

The mobile phone sales industry –the industry in which the Company operates– underwent dizzying changes, including the introduction of number portability system, the entry of new telecommunications carriers, the introduction of inexpensive rate plans, and the introduction of installment sales. In response to these changes, we focused on a number of key goals: (1) building a highly profitable store network; (2) bolstering sales capabilities; and (3) strengthening business management systems. By taking actions in these three areas, Bell-Park set new records in 2009 for the number of stores, total sales volume, net sales and ordinary income.

Bell-Park recognizes that the operating environment will change at an even faster pace in the future due to many factors: the introduction of new technologies; progress and upgrading involving smart phones, digital photo frames and other products that will redefine existing perceptions of these devices; the appearance of increasingly complex services and rate plans; and other events.

As its medium-term policy, Bell-Park is determined to further enlarge and strengthen its mobile phone sales business with the goal of emerging as a highly profitable winner in the mobile phone sales industry. To accomplish this goal, we are regarding changes in the operating environment as an opportunity to take various actions. These initiatives include building a highly profitable store network; maximizing sales and ordinary income by increasing the total sales volume and providing the high-quality sales demanded by SOFTBANK MOBILE; and continuing to build stronger business management systems.

(4) Key Issues

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

1) Build a highly profitable store network

To increase total sales volume, Bell-Park understands that stores must be relocated and renovated in order to increase customer traffic. The operating environment is expected to remain challenging as deflation continues. However, this presents an excellent opportunity to move stores to prime locations. Consequently, we will consider relocating stores by taking into consideration growth in customer traffic resulting from the better locations in relation to the associated expenses. Furthermore, we will improve store exteriors, lighting and other items in order to increase the number of customers.

2) Improve the quality of sales

Differentiating mobile phone shops from those of competitors is difficult for many reasons, including the fact that all these shops generally use the same basic formats. Moreover, the sales commissions of telecommunications carriers are now structured for the goals of increasing sales volume as well as improving the quality of sales. We believe that this commission structure makes improving the quality of sales vital to maximizing sales and ordinary income. A higher quality of sales ties in directly with earning a large volume of commissions for taking the actions demanded by SOFTBANK MOBILE. Ultimately, this contributes to our ability to maximize sales and ordinary income. To accomplish this goal, we are taking the following actions aimed at improving the quality of sales.

- Create the best possible mobile services sales environment by moving quickly to handle new products and services; rapidly incorporating the measures demanded by SOFTBANK MOBILE in store operations; and using consulting-based sales to identify and meet customers' needs.
- Give sales personnel training concerning products, services and consulting skills so these people can provide customers with clear explanations.
- Conduct a company-wide campaign to improve store layouts, revise how tasks are performed and reexamine systems in order to raise efficiency and cut waiting times for customers.

3) Further strengthen business management systems

Bell-Park must further strengthen business management systems to support growth in the scale of operations. This requires more than merely compliance with Japanese version of Sox Act (J-SOX). Business processes must be upgraded and systems reconstructed to establish a framework for more effective and efficient internal controls. Talented employees must be recruited. And employee evaluation and training systems must be reexamined. By taking these kinds of actions, we will build even more powerful business management systems.

(5) Internal Control Systems

The items concerned have been submitted to JASDAQ Securities Exchange and entered in the "Corporate Governance Statement."

JASDAQ Securities Exchange: <http://jds.jasdaq.co.jp/tekiji/>

(6) Other Important Business Matters

No reportable information.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

	<i>Thousand yen</i>	
	As of Dec. 31, 2008	As of Dec. 31, 2009
Assets		
Current assets		
Cash and deposits	4,806,737	5,747,350
Accounts receivable-trade	268,491	5,718,310
Operating accounts receivable	3,086,983	-
Merchandise	1,729,085	2,804,417
Supplies	16,504	29,342
Prepaid expenses	100,773	103,876
Short-term loans receivable	1,074	4,462
Accounts receivable-other	49,822	133,380
Deferred tax assets	105,452	170,586
Other	281	350
Allowance for doubtful accounts	(1,609)	(18)
Total current assets	10,163,597	14,712,057
Noncurrent assets		
Property, plant and equipment		
Buildings	663,598	826,156
Accumulated depreciation	(216,576)	(293,115)
Buildings, net	447,021	533,041
Structures	31,616	42,469
Accumulated depreciation	(7,817)	(12,077)
Structures, net	23,799	30,392
Vehicles	789	2,233
Accumulated depreciation	(616)	(1,994)
Vehicles, net	172	239
Tools, furniture and fixtures	215,391	230,195
Accumulated depreciation	(145,553)	(161,722)
Tools, furniture and fixtures, net	69,838	68,473
Total property, plant and equipment	540,832	632,146
Intangible assets		
Goodwill	51,428	207,673
Leasehold rights	1,000	1,000
Right of trademark	215	151
Software	62,664	56,946
Other	5,790	5,829
Total intangible assets	121,099	271,600
Investments and other assets		
Investment securities	27,517	23,863
Stocks of subsidiaries and affiliates	73,531	67,908
Long-term loans receivable	15,363	18,164
Lease deposits	956,025	1,023,620
Guarantee deposits	11,854	13,334
Membership	92,047	92,037
Long-term prepaid expenses	35,760	39,510
Deferred tax assets	71,568	85,438
Other	20	54
Allowance for doubtful accounts	-	(1,450)
Total investments and other assets	1,283,688	1,362,481
Total noncurrent assets	1,945,620	2,266,228
Total assets	12,109,217	16,978,285

	<i>Thousand yen</i>	
	As of Dec. 31, 2008	As of Dec. 31, 2009
Liabilities		
Current liabilities		
Accounts payable-trade	1,936,993	4,665,813
Operating accounts payable	314,004	-
Short-term loans payable	1,360,000	-
Current portion of long-term loans payable	200,000	325,000
Accounts payable-other	228,560	260,234
Accrued expenses	199,002	190,152
Income taxes payable	151,771	1,413,131
Accrued consumption taxes	181,041	56,053
Deposits received	419,193	585,698
Provision for bonuses	87,280	108,261
Allowance for early subscription cancelations	14,260	6,600
Other	21,604	16,890
Total current liabilities	5,113,713	7,627,837
Noncurrent liabilities		
Long-term loans payable	1,300,000	975,000
Provision for retirement benefits	41,744	49,550
Other	88,187	80,661
Total noncurrent liabilities	1,429,932	1,105,212
Total liabilities	6,543,646	8,733,049
Net assets		
Shareholders' equity		
Capital stock	1,123,904	1,123,904
Capital surplus		
Legal capital surplus	1,578,312	1,578,312
Other capital surplus	9,445	269,759
Total capital surpluses	1,587,757	1,848,071
Retained earnings		
Legal retained earnings	8,078	8,078
Other retained earnings		
Retained earnings brought forward	3,297,271	5,265,181
Total earned surpluses	3,305,349	5,273,259
Treasury stock	(451,440)	-
Total shareholders' equity	5,565,571	8,245,236
Total net assets	5,565,571	8,245,236
Total liabilities and net assets	12,109,217	16,978,285

(2) Non-consolidated Statements of Income*Thousand yen*

	Jan. 1 – Dec. 31, 2008	Jan. 1 – Dec. 31, 2009
Net sales		
Net sales of goods	19,761,860	25,623,043
Commission fee	12,675,951	21,267,918
Total net sales	32,437,812	46,890,962
Cost of sales		
Beginning goods	2,886,100	1,729,085
Cost of purchased goods	22,356,941	33,849,025
Transfer of goods by business acquisition	33,650	256,911
Total	25,276,692	35,835,022
Ending goods	1,729,085	2,804,417
Cost of goods sold	23,547,607	33,030,605
Commission fee	1,661,229	3,546,376
Total cost of sales	25,208,836	36,576,981
Gross profit	7,228,975	10,313,980
Selling, general and administrative expenses		
Advertising expenses	203,657	192,500
Promotion expenses	410,416	473,987
Salaries	1,677,239	1,991,668
Other salaries	465,510	396,715
Temporary personnel expenses	-	376,102
Legal welfare expenses	315,446	351,103
Bonuses	-	348,771
Provision for bonuses	87,280	108,261
Retirement benefit expenses	11,690	18,307
Outsourcing expenses	95,478	125,925
Rent	947,218	1,010,830
Depreciation	156,302	142,818
Other	1,449,137	1,200,302
Total selling, general and administrative expenses	5,819,378	6,737,296
Operating income	1,409,596	3,576,684
Non-operating income		
Interest income	463	303
Rent income	8,109	7,200
Insurance income	-	2,901
Fiduciary obligation fee	*1 14,063	*1 2,867
Gain on donation of gift certificates, etc.	13,659	12,086
Other	7,066	2,843
Total non-operating income	43,361	28,203
Non-operating expenses		
Interest expenses	11,552	32,517
Rent expenses	8,109	7,200
Commissions paid	33,463	8,507
Other	4,679	5,826
Total non-operating expenses	57,804	54,051
Ordinary income	1,395,153	3,550,836

Thousand yen

	Jan. 1 – Dec. 31, 2008	Jan. 1 – Dec. 31, 2009
Extraordinary income		
Gain on sales of noncurrent assets	-	*2 1
Gain on sales of subsidiaries and affiliates' stocks	157,091	-
Reversal of allowance for investment loss	35,816	-
Gain on liquidation of subsidiaries and affiliates	-	3,513
Total extraordinary income	192,908	3,514
Extraordinary loss		
Loss on sales of noncurrent assets	*3 12	-
Loss on retirement of noncurrent assets	*4 4,725	*4 12,408
Loss on sales of investment securities	5,150	-
Loss on sales of stocks of subsidiaries and affiliates	-	474
Loss on liquidation of subsidiaries and affiliates	3,750	-
Loss on sales of membership	190	-
Loss on valuation of membership	12,894	-
Shop closures expenses	5,488	24,195
Total extraordinary losses	32,210	37,078
Income before income taxes	1,555,851	3,517,271
Income taxes-current	342,540	1,549,914
Income taxes-deferred	91,001	(79,003)
Total income taxes	433,541	1,470,910
Net income	1,122,309	2,046,361

(3) Non-consolidated Statements of Changes in Net Assets

	<i>Thousand yen</i>	
	Jan. 1 – Dec. 31, 2008	Jan. 1 – Dec. 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,123,904	1,123,904
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,123,904	1,123,904
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	1,578,312	1,578,312
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,578,312	1,578,312
Other capital surplus		
Balance at the end of previous period	9,457	9,445
Changes of items during the period		
Disposal of treasury stock	(12)	260,314
Total changes of items during the period	(12)	260,314
Balance at the end of current period	9,445	269,759
Total capital surpluses		
Balance at the end of previous period	1,587,769	1,587,757
Changes of items during the period		
Disposal of treasury stock	(12)	260,314
Total changes of items during the period	(12)	260,314
Balance at the end of current period	1,587,757	1,848,071
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	8,078	8,078
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	8,078	8,078
Other retained earnings		
Retained earnings brought forward		
Balance at the end of previous period	2,258,618	3,297,271
Changes of items during the period		
Dividends from surplus	(83,655)	(78,451)
Net income	1,122,309	2,046,361
Total changes of items during the period	1,038,653	1,967,910
Balance at the end of current period	3,297,271	5,265,181
Total earned surpluses		
Balance at the end of previous period	2,266,696	3,305,349
Changes of items during the period		
Dividends from surplus	(83,655)	(78,451)
Net income	1,122,309	2,046,361
Total changes of items during the period	1,038,653	1,967,910
Balance at the end of current period	3,305,349	5,273,259

Thousand yen

	Jan. 1 – Dec. 31, 2008	Jan. 1 – Dec. 31, 2009
Treasury stock		
Balance at the end of previous period	(176,763)	(451,440)
Changes of items during the period		
Purchase of treasury stock	(274,688)	-
Disposal of treasury stock	12	451,440
Total changes of items during the period	(274,676)	451,440
Balance at the end of current period	(451,440)	-
Total shareholders' equity		
Balance at the end of previous period	4,801,607	5,565,571
Changes of items during the period		
Dividends from surplus	(83,655)	(78,451)
Net income	1,122,309	2,046,361
Purchase of treasury stock	(274,688)	-
Disposal of treasury stock	-	711,754
Total changes of items during the period	763,964	2,679,664
Balance at the end of current period	5,565,571	8,245,236
Total net assets		
Balance at the end of previous period	4,801,607	5,565,571
Changes of items during the period		
Dividends from surplus	(83,655)	(78,451)
Net income	1,122,309	2,046,361
Purchase of treasury stock	(274,688)	-
Disposal of treasury stock	-	711,754
Total changes of items during the period	763,964	2,679,664
Balance at the end of current period	5,565,571	8,245,236

(4) Non-consolidated Statements of Cash Flows

	<i>Thousand yen</i>
	Jan. 1 – Dec. 31, 2009
Net cash provided by (used in) operating activities	
Income before income taxes	3,517,271
Depreciation and amortization	142,818
Amortization of goodwill	68,363
Increase (decrease) in allowance for doubtful accounts	(140)
Increase (decrease) in provision for bonuses	20,980
Increase (decrease) in provision for retirement benefits	7,806
Interest and dividends income	(303)
Interest expenses	32,517
Loss (gain) on sales of noncurrent assets	(1)
Loss on retirement of noncurrent assets	12,408
Loss (gain) on sales of stocks of subsidiaries and affiliates	474
Loss (gain) on liquidation of subsidiaries and affiliates	(3,513)
Decrease (increase) in notes and accounts receivable-trade	(2,362,835)
Decrease (increase) in inventories	(831,212)
Increase (decrease) in notes and accounts payable-trade	2,414,815
Increase (decrease) in accounts payable-other	25,731
Increase (decrease) in accrued consumption taxes	(124,987)
Increase (decrease) in deposits received	166,505
Other, net	(59,260)
Subtotal	<u>3,027,439</u>
Interest and dividends income received	303
Interest expenses paid	(25,930)
Income taxes (paid) refund	(312,339)
Net cash provided by (used in) operating activities	<u>2,689,473</u>
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(97,914)
Proceeds from sales of property, plant and equipment	1
Purchase of intangible assets	(13,724)
Proceeds from liquidation of subsidiaries and affiliates	8,062
Proceeds from sales of stocks of subsidiaries and affiliates	600
Payments for transfer of business	*2 (740,969)
Payments for lease deposits	(83,639)
Collection of lease deposits	124,461
Other, net	(12,801)
Net cash provided by (used in) investing activities	<u>(815,923)</u>
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(1,360,000)
Repayment of long-term loans payable	(200,000)
Proceeds from sales of treasury stock	705,236
Cash dividends paid	(78,173)
Net cash provided by (used in) financing activities	<u>(932,937)</u>
Net increase (decrease) in cash and cash equivalents	<u>940,613</u>
Cash and cash equivalents at beginning of period	4,806,737
Cash and cash equivalents at end of period	<u>*1 5,747,350</u>

Going Concern Assumption

No reportable information.

Significant Accounting Policies

Item	FY2008 (Jan. 1 – Dec. 31, 2008)	FY2009 (Jan. 1 – Dec. 31, 2009)
1. Securities valuation basis and valuation method	<p>(1) Subsidiary and affiliate stocks Stated at cost determined by the moving-average method.</p> <p>(2) Other securities Securities without market quotations Stated at cost determined by the moving-average method. As for investments in limited liability investment partnerships and similar investment associations as defined in Article 2, Section 2 of the Financial Instruments and Exchanges Law, the Company books the net value of proportional holdings based on the most recent available financial report of the association, according to the financial settlement date stipulated in the association contract.</p>	<p>(1) Subsidiary and affiliate stocks Same as on the left.</p> <p>(2) Other securities Securities without market quotations Same as on the left.</p>
2. Inventories valuation basis and valuation method	<p>Merchandise Stated at cost determined by the moving-average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins). (Change in Accounting Policy) “Accounting Standard for Measurement of Inventories” (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006) was applicable to financial statements for the fiscal year starting from March 31, 2008 or before and the Company was ready to adopt the standard, it was applied to the financial statements from the current fiscal year. The effect of this change on FY2008 results is insignificant.</p> <p>Supplies Stated at cost determined by the last purchase price method.</p>	<p>Merchandise Stated at cost determined by the moving-average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins).</p> <p>Supplies Same as on the left.</p>
3. Depreciation and amortization method of noncurrent assets	<p>Property, plant and equipment</p> <p>i) Acquisitions on or before March 31, 2007 The former declining-balance method. Buildings (excluding fixtures) are amortized by the former straight-line method.</p> <p>ii) Acquisitions on or after April 1, 2007 Declining-balance method. Buildings (excluding fixtures) are amortized by the straight-line method.</p>	<p>Property, plant and equipment</p> <p>i) Acquisitions on or before March 31, 2007 The former declining-balance method. Buildings (excluding fixtures) are amortized by the former straight-line method.</p> <p>ii) Acquisitions on or after April 1, 2007 Declining-balance method. Buildings (excluding fixtures) are amortized by the straight-line method.</p>

Item	FY2008 (Jan. 1 – Dec. 31, 2008)	FY2009 (Jan. 1 – Dec. 31, 2009)
	<p>Useful life of principle assets is as follows:</p> <p>Buildings: 3-24 years Structures: 10-20 years Vehicles: 2-6 years Tools, furniture and fixtures: 2-10 years</p> <p>(Supplementary Information) The Company has adopted the revised Corporation Tax Law and changed its method of depreciation of assets acquired on or before March 31, 2007. Accordingly, the difference between the residual value of such an asset and the value equivalent to 5% of its acquisition cost, as computed by the previous Corporation Tax Law, is depreciated over a period of 5 years starting from the year following the year in which the value of an asset falls to 5% of its acquisition cost. The difference is amortized by the straight-line method and is included in the depreciation expense. The effect of this change on FY2008 results is insignificant.</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 for 3 years by the straight-line method.</p> <p>Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	<p>Useful life of principle assets is as follows:</p> <p>Buildings: 2-29 years Structures: 5-20 years Vehicles: 2-6 years Tools, furniture and fixtures: 2-10 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 for 3 to 5 years by the straight-line method.</p> <p>Long-term prepaid expenses Same as on the left.</p>
4. 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) Provision for bonuses As a means of providing for bonus obligations, the Company designates in the reserve account an amount estimated to have accrued for the current period.</p>	<p>(1) Allowance for doubtful accounts Same as on the left.</p> <p>(2) Provision for bonuses Same as on the left.</p>

Item	FY2008 (Jan. 1 – Dec. 31, 2008)	FY2009 (Jan. 1 – Dec. 31, 2009)
	<p>(3) Allowance for early subscription cancellations The Company refunds subscription commission to the telecommunications carrier, with which it has agency or a sales outsourcing agreement, if mobile/fixed-line phone users cancel his subscription early. To provide for repayment of subscription commission related to such early subscription cancellations, the Company provides an allowance equal to the estimated amounts of refund for early subscription commission based on the historical refund ratio.</p> <p>(4) Provision for retirement benefits To provide for employee retirement benefits, the Company provides an allowance for retirement benefits in the amount deemed to have accrued, determined (simple method) on the basis of the projected benefit obligation on the balance sheet date.</p>	<p>(3) Allowance for early subscription cancellations The Company refunds subscription commission to the telecommunications carrier, with which it has an agency agreement, if a subscriber cancels his subscription early. To provide for repayment of subscription commission related to such early subscription cancellations, the Company provides an allowance equal to the estimated amounts of refund for early subscription commission based on the historical refund ratio.</p> <p>(4) Provision for retirement benefits Same as on the left.</p>
5. Scope of cash and cash equivalents on statements of cash flows	—————	For the purpose of statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.
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

FY2008 (Jan. 1 – Dec. 31, 2008)	FY2009 (Jan. 1 – Dec. 31, 2009)
	<p>(Non-consolidated Balance Sheets)</p> <ol style="list-style-type: none"> 1. “Accounts receivable-trade” and “Operating accounts receivable” previously presented as a subsection of current assets have been reclassified and presented as “Accounts receivable-trade” in the current fiscal year. The purpose is to better facilitate comparisons of financial statements in conjunction with the introduction of XBRL to the EDINET system. In the current fiscal year, “Accounts receivable-trade” was 867,567 thousand yen and “Operating accounts receivable” was 4,850,742 thousand yen. 2. “Accounts payable-trade” and “Operating accounts payable” previously presented as a subsection of current liabilities have been reclassified and presented as “Accounts payable-trade” in the current fiscal year. The purpose is to better facilitate comparisons of financial statements in conjunction with the introduction of XBRL to the EDINET system. In the current fiscal year, “Accounts payable-trade” was 3,721,122 thousand yen and “Operating accounts payable” was 944,691 thousand yen.
<p>(Non-consolidated Statements of Income)</p> <ol style="list-style-type: none"> 1. “Promotion expenses” under selling, general and administrative expenses previously included in “Other” under selling, general and administrative expenses has been reclassified and presented as a separate line item in the current fiscal year, given that it now represents more than 5/100 of total selling, general and administrative expenses. “Promotion expenses” in the previous fiscal year totaled 163,802 thousand yen. 2. “Commission fee” under non-operating expenses previously included in “Other” under non-operating expenses has been reclassified and presented as a separate line item in the current fiscal year, given that it now represents more than 10/100 of total non-operating expenses. “Commission fee” in the previous fiscal year totaled 83 thousand yen. 	<p>(Non-consolidated Statements of Income)</p> <ol style="list-style-type: none"> 1. “Temporary personnel expenses” under selling, general and administrative expenses previously included in “Other” under selling, general and administrative expenses has been reclassified and presented as a separate line item in the current fiscal year, given that it now represents more than 5/100 of total selling, general and administrative expenses. “Temporary personnel expenses” in the previous fiscal year totaled 232,533 thousand yen. 2. “Bonuses” under selling, general and administrative expenses previously included in “Other” under selling, general and administrative expenses has been reclassified and presented as a separate line item in the current fiscal year, given that it now represents more than 5/100 of total selling, general and administrative expenses. “Bonuses” in the previous fiscal year totaled 263,420 thousand yen. 3. “Insurance income” under non-operating income previously included in “Other” under non-operating income has been reclassified and presented as a separate line item, given that it now represents more than 10/100 of total non-operating income. “Insurance income” in the previous fiscal year totaled 236 thousand yen. 4. Item presented as “Gain on donation of gift certificates” under non-operating income has been renamed to “Gain on donation of gift certificates, etc.” in the current fiscal year to clarify its contents.

Notes to Non-consolidated Financial Statements**Notes to Non-consolidated Balance Sheets***Thousand yen*

FY2008 (As of Dec. 31, 2008)	FY2009 (As of Dec. 31, 2009)
1. The Company established a three-year syndicated credit facility in December 2008 for the purposes of efficiently procuring working capital and maintaining financial soundness. The facility is provided by three banks. The balances of credit available as of the balance sheet date were as follows.	1. The Company established a three-year syndicated credit facility in December 2008 for the purposes of efficiently procuring working capital and maintaining financial soundness. The facility is provided by three banks. The balances of credit available as of the balance sheet date were as follows.
Total credit facility	2,000,000
Credit used	-
<u>Credit available</u>	<u>2,000,000</u>
Total credit facility	2,000,000
Credit used	-
<u>Credit available</u>	<u>2,000,000</u>

Notes to Non-consolidated Statements of Income*Thousand yen*

FY2008 (Jan. 1 – Dec. 31, 2008)	FY2009 (Jan. 1 – Dec. 31, 2009)
*1. Transactions with affiliates include the following:	*1. Transactions with affiliates include the following:
Fiduciary obligation fee	14,063
—————	2,867
	*2. Significant components of gain on sales of noncurrent assets
	Vehicles
	1
*3. Significant components of loss on sales of noncurrent assets	—————
Tools, furniture and fixture	
12	
*4. Significant components of loss on retirement of noncurrent assets	*4. Significant components of loss on retirement of noncurrent assets
Buildings	10,998
Tools, furniture and fixture	1,410
<u>Total</u>	<u>12,408</u>
3,020	12,408
1,704	
<u>Total</u>	
4,725	

Notes to Non-consolidated Statements of Changes in Net Assets

FY2008 (Jan. 1 – Dec. 31, 2008)

Type and number of treasury stock

	Number of shares as of Dec. 31, 2007 (Shares)	Increase during the year (Shares)	Decrease during the year (Shares)	Number of shares as of Dec. 31, 2008 (Shares)
Treasury stock				
Common shares (Note: 1,2)	2,577.50	4,003.68	0.18	6,581.00
Total	2,577.50	4,003.68	0.18	6,581.00

Notes: 1. The increase in the number of common shares of treasury stock (4,003.68 shares) is due to the purchase of treasury stock based on the Board of Directors resolution (4,000 shares) and the purchase of odd-lot shares (3.68 shares).

2. The decrease in the number of common shares of treasury stock (0.18 shares) is due to the cancellation.

FY2009 (Jan. 1 – Dec. 31, 2009)

1. Type and number of outstanding shares and treasury stock

	Number of shares as of Dec. 31, 2008 (Shares)	Increase during the year (Shares)	Decrease during the year (Shares)	Number of shares as of Dec. 31, 2009 (Shares)
Outstanding shares				
Common shares	66,928	-	-	66,928
Total	66,928	-	-	66,928
Treasury stock				
Common shares (Note)	6,581	-	6,581	-
Total	6,581	-	6,581	-

Note: The decrease in the number of common shares of treasury stock (6,581 shares) is due to secondary offering.

2. Items related to acquisition rights for new shares and treasury stock

Item	Stock acquisition rights (itemized)	Type of shares under stock acquisition rights	Number of shares under stock acquisition rights (Shares)				Balance as of Dec. 31, 2009 (Thousand yen)
			As of Dec. 31, 2008	Increase during the year	Decrease during the year	As of Dec. 31, 2009	
Reporting company	Stock acquisition rights by way of stock options	Common shares	1,015	-	169	846	-

3. Dividends

(1) Dividends payment

Resolution	Type of share	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on March 26, 2009	Common shares	78,451	1,300	Dec. 31, 2008	Mar. 27, 2009

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousand yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on March 26, 2010	Common shares	174,012	Retained earnings	2,600	Dec. 31, 2009	Mar. 29, 2010

Notes to Non-consolidated Statements of Cash Flows*Thousand yen*

FY2009 (Jan. 1 – Dec. 31, 2009)	
*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets is made as follows:	
	(As of Dec. 31, 2009)
Cash and deposits	5,747,350
Cash and cash equivalents	5,747,350
*2. Significant components of assets and liabilities increased by business acquisition	
Current assets	256,957
Noncurrent assets	484,011
Total assets	740,969

Leases

FY2008 (Jan. 1 – Dec. 31, 2008) FY2009 (Jan. 1 – Dec. 31, 2009)

There are no lease agreements for disclosure.

Securities

FY2008 (As of Dec. 31, 2008)

There are no subsidiary and affiliate stocks with market quotations.

FY2009 (As of Dec. 31, 2009)

Securities without market quotations

Thousand yen

Item	Type	Carrying value
(1) Other securities	Limited liability investment partnerships	23,863
(2) Stocks of subsidiaries and affiliates	Non-listed securities	67,908
Total		91,771

Derivatives

FY2008 (Jan. 1 – Dec. 31, 2008) FY2009 (Jan. 1 – Dec. 31, 2009)

No reportable information as the Company did not have derivative transactions.

Retirement Benefits

1. Retirement benefit plan

FY2009 (As of Dec. 31, 2009)
The Company has defined benefit plan, i.e., a lump-sum pension plan.

2. Item relating to retirement benefit obligation

Thousand yen

	FY2009 (As of Dec. 31, 2009)
(1) Retirement benefit obligation	(49,550)
(2) Provision for retirement benefits	(49,550)

* The retirement benefit obligation is computed by the simple method.

3. Item relating to retirement benefit expenses

Thousand yen

	FY2009 (Jan. 1 – Dec. 31, 2009)
Service cost	18,307
Retirement benefit expenses	18,307

4. The assumptions used in accounting for the above plans

	FY2009 (As of Dec. 31, 2009)
(1) Method of computing retirement benefit obligation	To provide for employee retirement benefits, the Company provides an allowance for retirement benefits in the amount deemed to have accrued if all eligible employees terminated employment on the balance sheet date.
(2) Years for the amortization of the difference at transition	No reportable information.

Stock Options

FY2009 (Jan. 1 – Dec. 31, 2009)

1. Description, scale and changes in stock options

(1) Description of stock options

	Stock options (issued in 1999)	Stock options No.1 (2001)	Stock options No.2 (2001)
Classification and number of grantees	Company's directors (2) and employees (21)	Company's director (1) and employees (24)	Company's employees (31)
Type and number of stock options (Note 1)	Common shares: 648	Common shares: 522	Common shares: 612
Grant date	November 12, 1999	April 6, 2001	April 6, 2001
Vesting condition	Of the persons granted the stock options must maintain the position of director, auditor or an employee (or a contract employees) of the Company or its subsidiary from the grant date (November 12, 1999) to the vesting date (November 12, 2001).	Of the persons granted the stock options must maintain the position of director, auditor or an employee (or a contract employees) of the Company or its subsidiary from the grant date (April 6, 2001) to the vesting date (April 1, 2002).	Of the persons granted the stock options must maintain the position of director, auditor or an employee (or a contract employees) of the Company or its subsidiary from the grant date (April 6, 2001) to the vesting date (April 1, 2003).
Requisite service period	Nov. 12, 1999 – Nov. 11, 2001	Apr. 6, 2001 – Mar. 31, 2002	Apr. 6, 2001 – Mar. 31, 2003
Exercise period	8 years (Nov. 12, 2001 – Nov. 11, 2009)	9 years (Apr. 1, 2002 – Mar. 29, 2011)	8 years (Apr. 1, 2003 – Mar. 29, 2011)
Exercise price (yen)	92,593	73,022	73,022
Average stock price at the time of exercise (yen)	-	-	-
Fair value at the grant date (Note 2) (yen)	-	-	-

	Stock options (2005)	Stock options (2006)
Classification and number of grantees	Company's employees (120)	Company's employees (130)
Type and number of stock options (Note 1)	Common shares: 1,304	Common shares: 654
Grant date	May 11, 2005	April 28, 2006
Vesting condition	Of the persons granted the stock options must maintain the position of director, auditor or an employee of the Company or its affiliate from the grant date (May 11, 2005) to the vesting date (April 1, 2007).	Of the persons granted the stock options must maintain the position of director, auditor or an employee of the Company or its affiliate from the grant date (April 28, 2006) to the vesting date (April 1, 2008).
Requisite service period	May 11, 2005 – Mar. 31, 2007	Apr. 28, 2006 – Mar. 31, 2008
Exercise period	5 years (Apr. 1, 2007 – Mar. 31, 2012)	5 years (Apr. 1, 2008 – Mar. 31, 2013)
Exercise price (yen)	105,000	146,000
Average stock price at the time of exercise (yen)	-	-
Fair value at the grant date (Note 2) (yen)	-	-

Notes: 1. Figures are presented as equivalent number of shares. The number of shares is adjusted for stock-splits conducted after the grant of the stock options.

2. Not presented since the stock options were issued without receipt of consideration before the Company Act went into force.

(2) Scale and changes in stock options

The following statement includes stock options valid during the current fiscal year and is presented as the number of shares resulting from the exercise of the stock options.

(Number of stock options)

After rights ascertainment

	<i>Shares</i>				
	Stock options (1999)	Stock options No.1 (2001)	Stock options No.2 (2001)	Stock options (2005)	Stock options (2006)
As of Dec. 31, 2008	20.0	54.0	18.0	484.0	439.0
Rights exercised	-	-	-	-	-
Invalidated	20.0	-	-	99.0	50.0
Balance of unexercised rights	-	54.0	18.0	385.0	389.0

2. Impact on financial statements

The stock options, which were issued by the Company, have no impact on the financial statements since they were issued before the Company Act went into force.

Deferred Tax Accounting*Thousand yen*

FY2008 (As of Dec. 31, 2008)	FY2009 (As of Dec. 31, 2009)
1. Major components of deferred tax assets	1. Major components of deferred tax assets
Deferred tax assets	Deferred tax assets
Lump-sum amortized assets	Lump-sum amortized assets
Accrued enterprise taxes	Accrued enterprise taxes
Amortization of goodwill in excess of tax limits	Amortization of goodwill in excess of tax limits
Loss on valuation of stocks of subsidiaries and affiliates not included in expenses	Provision for bonuses not included in expenses
Provision for bonuses not included in expenses	Allowance for early subscription cancellations not included in expenses
Allowance for early subscription cancellations not included in expenses	Provision for retirement benefits not included in expenses
Provision for retirement benefits not included in expenses	Long-term accounts payable-other (Provision for directors' retirement benefits) not included in expenses
Long-term accounts payable-other (Provision for directors' retirement benefits) not included in expenses	Loss on valuation of membership not included in expenses
Impairment losses not included in expenses	Impairment losses not included in expenses
Accrued bonuses not included in expenses	Accrued expenses denied
Accrued expenses denied	Other
Other	Total deferred tax assets
Sub-total	Net deferred tax assets
Valuation reserve	
Total deferred tax assets	
Net deferred tax assets	
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	Details on the differences between the statutory and effective tax rates are omitted as the disparity is five percent or less.
(Adjustments)	
Entertainment expenses and other items not included in expenses indefinitely	
Dividends income etc. received not included in income indefinitely	
Residential tax for the period	
Tax on reserved income of family-owned companies	
Loss on deemed transfer of stocks of subsidiaries and affiliates (Unrecognized tax effect)	
Other	
Effective tax rate	

Equity in Earnings of Affiliates*Thousand yen*

FY2009 (Jan. 1 – Dec. 31, 2009)	
Investment amounts to the stocks of affiliates	67,908
Investment accounted for using the equity method	40,490
Investment loss on application of the equity method	4,704

Related Party Transactions

FY2009 (Jan. 1 – Dec. 31, 2009)

(Supplementary Information)

In the current fiscal year, the Company has adopted “Accounting Standard for Related Party Disclosure” (ASBJ Statement No. 11, October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, October 17, 2006).

As a result, transactions with Company directors are no longer subject to disclosure.

Subsidiary of the Company

Relationships	Subsidiary
Name	Opt Power Co., Ltd.
Capital contribution	10,000 thousand yen
Business activity	Handling applications for fixed-line communication service contracts
Voting Power	100.0%
Business relationship	Provision of services Dual roles in directorship
Types of transaction	Administrative services (Notes 3)
Transaction amount	2,867 thousand yen
Account	Fiduciary obligation fee
Balance at year-end	-

Notes: 1. Opt Power Co., Ltd. was liquidated in September 2009.

2. The above transaction amount does not include consumption taxes.

3. Amounts of administrative services are determined based on the Company’s calculation standard.

Business Combination

FY2008 (Jan. 1 – Dec. 31, 2008)

No reportable information.

FY2009 (Jan. 1 – Dec. 31, 2009)

Application of the purchase method

1. Summary of business combinations

(1) Name of company acquired and its business activity

Name of company acquired: Panasonic Telecom Co., Ltd.

Business activity: Operation of 22 directly-managed SoftBank shops and 30 franchise shops; wholesale business to secondary sales agencies

(2) Reasons for business combinations

To expand the sales network to increase unit sales of SoftBank mobile phones and to improve earnings.

(3) Date of acquisition

June 1, 2009 (Date of business acquisition)

(4) Legal format of business combination

Acquisition of business.

2. Period of business results of the acquired company included in the non-consolidated financial statements

From June 1, 2009 to December 31, 2009

3. Acquisition cost and other particulars

(1) Acquisition cost 349 million yen

(2) Breakdown

Inventories 184 million yen

Property, plant and equipment, etc. 86 million yen

Lease and guarantee deposits, etc. 79 million yen

Total	349 million yen
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4. Goodwill resulting from the acquisition

(1) Value of goodwill 171 million yen

(2) Source of goodwill Potential to generative extra earnings.

(3) Amortization method and period Goodwill is amortized over 5 years by the straight-line method.

5. Estimated impact on the current fiscal year's non-consolidated statements of income when the business combination is retroactively adjusted to the beginning of the current fiscal year

No estimate due to calculating difficulties as the business acquisition was only partially.

Per Share Information

Yen

FY2008 (Jan. 1 – Dec. 31, 2008)		FY2009 (Jan. 1 – Dec. 31, 2009)	
Net assets per share	92,226.15	Net assets per share	123,195.62
Net income per share (basic)	17,758.81	Net income per share (basic)	33,172.74
Net income per share (diluted) is not presented since the Company has no outstanding dilutive securities.		Net income per share (diluted)	33,165.24

Note: The following is a reconciliation of net income per share (basic) and net income per share (diluted).

Thousand yen

	FY2008 (Jan. 1 – Dec. 31, 2008)	FY2009 (Jan. 1 – Dec. 31, 2009)
Net income per share (basic)		
Net income	1,122,309	2,046,361
Amount not available to common shareholders	-	-
Net income available to common shares	1,122,309	2,046,361
Average number of shares outstanding	63,197.31 shares	61,688.04 shares
Net income per share (diluted)		
Increase in the number of common shares	-	13.95 shares
[of which stock acquisition rights]	-	13.95 shares
Summary of potential stock not included in the calculation of “net income per share (diluted)” since there was no dilutive effect in the period	(Approved at the Extraordinary General Meeting of Shareholders held on Nov. 11, 1999) Stock acquisition rights: 20 shares (Approved at the General Meeting of Shareholders held on Mar. 29, 2001) Stock acquisition rights: 72 shares (Approved at the General Meeting of Shareholders held on Mar. 29, 2005) Stock acquisition rights: 484 shares (Approved at the General Meeting of Shareholders held on Mar. 30, 2006) Stock acquisition rights: 439 shares	(Approved at the General Meeting of Shareholders held on Mar. 29, 2005) Stock acquisition rights: 385 shares (Approved at the General Meeting of Shareholders held on Mar. 30, 2006) Stock acquisition rights: 389 shares

Subsequent Events

No reportable information.

5. Others

(1) Changes in Directors

The Company plans to propose the following changes in directors to the general meeting of shareholders to be held on March 26, 2010.

1) Representative director

No reportable information.

2) Other directors

Candidates for newly-appointed director

Director: Ken Takeuchi (Assistant to President)

Retiring director

Director: Akira Takase

** 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.*