

**Financial Summaries for the Half Year for Fiscal Year ending December 2001 – Consolidated***("Kessan Tanshin")*

Name of Company Quoted: Bell- Park Co., Ltd. (JASDAQ)  
 Code Number: 9441  
 Company Domicile: Tokyo  
 Office Location: 1-6 Kojimachi, Chiyoda-ku Tokyo-to  
 Contact: Hiroshi Ishikawa, Director, General Manager of Administration  
 Telephone : (03) 3288-5211

Board of Directors Meeting to discuss financial results for the period: 8/20/2001  
 US GAAP applied? No

**1. Consolidated Business Performance for the Half Year of Fiscal Year Ending December 2001  
 (1/1/2001 – 6/30/2001)**

## (1) Consolidated Business Performance

(Unit: rounded down if less than one million Yen)

	Sales		Operating Income		Ordinary Income	
	Million Yen	%	Million Yen	%	Million Yen	%
First half year ended 6/01	7,157	-	399	-	414	-
Fiscal year ended 12/00	8,557		655		566	

	Net Income for the half year		Net Income for the half year per Share		Net income for the half year per share after dilution for the period	
	Million Yen	%	Yen	Sen	Yen	Sen
H/Y ended 6/2001	212	-	30,088	.58	30,081	.76
F/Y ended 12/2000	(473)		(73,370)	.68	-	

(Notes)

- Equity Method Investment Loss  
 Half Year ended 6/2001: - Million Yen  
 Fiscal Year ended 12/2000: - Million Yen
- Average number of shares outstanding during the period  
 First half year ended 6/2001 7,050.52 shares  
 Fiscal year ended 12/2000 6,458.78 shares
- Change in Accounting Principle during the period: None
- Percentages presented in Sales, Operating Income, Ordinary Income, and Net Income are compared against the prior period numbers.
- Net income per share after dilution for the year ended December 2000 was not disclosed since loss was incurred for that period.
- The half year ended June 2001 is the first period in which interim financial statements were prepared. Thus no disclosure was made for the half year ended June 2000 and for the percentage change against the prior year interim period.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity to Total Assets Ratio	Equity per Share	
	Million Yen	Million Yen	%	Yen	Sen
H/Y ended 6/2001	4,270	2,475	58.0	351,150	.99
F/Y ended 12/2000	4,294	2,323	54.1	329,577	.91

(Notes)

Number of shares issued

H/Y ended 6/2001:	7,050.52	shares
F/Y ended 12/2000	7,050.52	shares

(3) Consolidated Cash Flows Position

( ) Represents negative cash flows  
(Unit: rounded down if less than one thousand Yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at year end
	Million Yen	Million Yen	Million Yen	Million Yen
H/Y ended 6/2001	330	43	(449)	1,197
F/Y ended 12/2000	(47)	(1,214)	1,813	1,272

(4) Subsidiaries subject to consolidation and Equity Method

Number of subsidiaries in consolidated financial statements:	1
Number of non-consolidated subsidiaries subject to equity method	0
Number of consolidated subsidiaries subject to equity method	0

(5) Change in subsidiaries subject to consolidation and Equity Method

Consolidation (New)	0
Consolidation (Eliminated)	0
Equity Method (New)	0
Equity Method (Eliminated)	0

**2. Forecast for the Fiscal Year ending December 2001 (1/1/2001 – 12/31/2001)**

	Sales	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
Full Year	14,000	720	350

(Reference) Projected Net Income per Share (Full year): 49,641 Yen 72 Sen

**Consolidated companies**

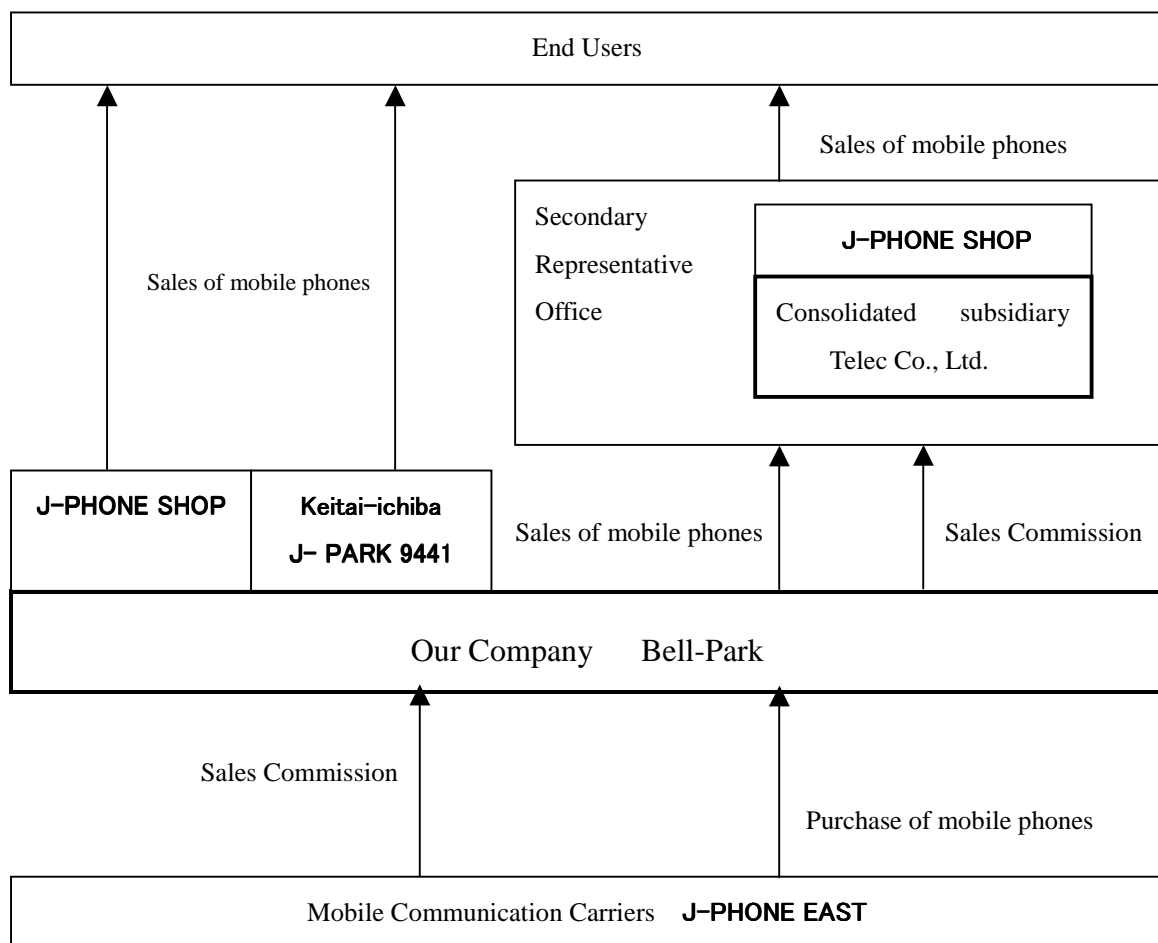
The main business of this Group (this company and a consolidated subsidiary) is to sell mobile communication devices. Following is the content of our business operation and our position in the industry.

*Mobile Phone Sales Operation*

- (1) Accept applications for mobile phone service from new users, introduce them to mobile communication carriers, and sell them mobile phones.
- (2) Accept applications for a model change in mobile phones from existing mobile phone users, introduce them to mobile communication carriers and sell mobile phones to the new users.
- (3) Accept applications for a change in mobile communication carrier/mobile communication service and introduce them to mobile communication carriers.
- (4) Consignment sales of mobile phones through our sales agents.
- (5) Sales of mobile phones through our sales agents.

(Note) Mobile Communication Carriers are those that set up electric communication line equipment and conduct communication services for mobile phones.

Following is the operational chart:



## **Business Principles**

### *(1) Basic Principles of Business*

With our group's mission "that all may enjoy the convenience of mobile phones," we provide services with customer satisfaction as our first priority.

### *(2) Basic Principles for Profit Distribution*

Our company aims to provide steady dividends based on business performance. We determine the dividend payout level with proper consideration for appropriation for business expansion and company strength.

### *(3) Current Challenges*

As we anticipate changes in the industry, such as the introduction of JAVA to mobile phones and the introduction of the third generation of mobile phones, we expect greater demand for data communication than that for voice communication. Along with this trend, as more and more new models with new functions are placed in the market, we expect huge demand from existing customers to change their mobile phones to new models. In addition, with the introduction of more highly functional, value-added phones, we see mobile phones becoming products that require deep product knowledge in sales personnel. Due to this trend, we see more demand in "J-PHONE SHOP" where we can provide on-site service for change in phone types, as well as in our direct operating shops "Keitai-ichiba" where J-PHONE specific knowledge is provided to our sales force. We list the following three as our challenges:

1. Develop into shops where customers choose to visit
2. Increase profitability of existing shops
3. Development of a shop network based on area strategies

### *(4) Steps to be taken*

1. Thorough education of sales personnel using our shop manual developed in-house, training for sign language sales personnel, and the introduction of "BP on line" as a membership information service vehicle, we aim to further customer satisfaction and at the same time increase our share of mobile phone customers in each respective region.
2. By introduction of a new evaluation system, a shop counselor system, and by acquiring and educating high-quality new hires, we aim to maximize the profitability of existing shops.
3. After discussions with our carrier partner J-PHONE, we open directly-managed shops based on an area strategy. As for important sales hubs, we hope to acquire such hubs through M&A activity, using our experience gained from the purchase of Telec Co., Ltd. last year.

## **Business Performance**

### *(1) Summary of business performance for the interim period*

The Japanese economy had been expected to recover gradually from the improvement in the business climate in the first half of this year. However, instead, the economy continued to stay stagnant as we saw weak consumer spending due to concerns over Japanese economic prospects, and a decrease in exports due to the worsening business climate overseas.

In the mobile communication industry, the market still continues to grow as the total number of connections at the end of June 2001 was 69,164,000 (out of which 63,389,000 connections were for mobile phones). In addition, Internet users through mobile phones have reached 40,374,000; fully 58% of mobile phone users are now connected to the Internet. This is a significant increase from a 24% Internet connection rate at the same time last year. We expect this positive trend to continue. In May of this year, NTT DoCoMo started a new next generation mobile phone service on a test basis. Other service providers are also getting ready to initiate new services. Mobile phone service began with voice only, then evolved to include data and pictures, and now is set to include moving pictures and music. This is a major turning point for the industry.

In this kind of business environment with DoCoMo's move for next generation mobile phones, the reorganization of service providers and their shareholder structure, our group held back plans to open new shops. Despite this, due to the steady sales increase in our J-PHONE SHOP, where we can capture customers changing mobile phone models, our group had sales of 7,157 million Yen, interim ordinary income of 414 million Yen, and interim net income of 212 million Yen.

Since this is the first time we prepared interim period financial statements, we did not conduct comparisons against the same period last year.

### *(2) Projection for the fiscal year*

J-PHONE is planning to introduce attractive new products in the latter part of this year, so we expect more customers to change mobile phone models than last year; we expect to maintain the same level of new mobile phone sales as in the last year. In this environment, our company tries to maximize profits in existing shops by providing a new HR appraisal system, introducing a shop counselor system, and maintaining a high quality of new hires. After discussions with our carrier partner J-PHONE, we look to open directly-managed shops based on an area strategy. As for important sales hubs, we hope to acquire such hubs through M&A activity, using our experience gained from the purchase of Telec Co., Ltd. last year.

Based on these strategies, we expect our consolidated sales for the fiscal year ending December 2001 to be 14 billion Yen (163.6% of last year's), consolidated ordinary income of 720 million Yen (127.1% of last year's) and consolidated net income to be 350 million Yen (473 million Yen loss for the same period last year).

## Interim Consolidated Financial Statements

### (1) Interim Consolidated Financial Statements

#### ① Interim Balance Sheet

(Unit: Thousand Yen)

Item	Period	Balance Sheet for Half Year ended on June 30, 2001		Summary of Balance Sheet for Fiscal Year ended on December 31, 2000	
		Amount	%	Amount	%
<i>(Assets)</i>					
<b>I Current Assets</b>					
1. Cash and Cash Equivalents ※2		148,070		208,835	
2. Accounts Receivable and Operating unearned income		1,315,099		1,396,451	
3. Securities		984,211		1,365,395	
4. Inventory		600,761		391,910	
5. Other Current Assets		137,760		82,009	
Allowances for Doubtful Accounts		(2,815)		(3,535)	
<i>Total Current Assets</i>		3,183,087	74.5	3,441,067	80.1
<b>II Fixed Assets</b>					
1. Tangible Fixed Assets ※1,2		291,790	6.8	294,555	6.9
2. Intangible Fixed Assets		8,189	0.2	6,183	0.1
3. Investments and Other Assets					
(1) Investment Securities		224,246		—	
(2) Deposits ※2		317,357		315,752	
(3) Others		246,216		237,427	
Allowances for Doubtful Accounts		(85)		(44)	
<i>Total Investments and Other Assets</i>		787,734	18.5	553,135	12.9
<i>Total Fixed Assets</i>		1,087,714	25.5	853,874	19.9
<b>Total Assets</b>		4,270,801	100.0	4,294,941	100.0

(Unit: Thousand Yen)

Item	Balance Sheet for Half Year ended on June 30, 2001		Summary of Balance Sheet for Fiscal Year ended on December 31, 2000	
	Amount	%	Amount	%
<i>(Liabilities)</i>				
<b>I Current Liabilities</b>				
1. Accounts Payable & Operating accrued expenses	1,316,813		1,122,803	
2. Reserves for Bonuses	12,986		13,980	
3. Others	333,683		435,203	
<i>Total Current Liabilities</i>	1,663,483	38.9	1,571,988	36.6
<b>II Fixed Liabilities</b>				
1. Reserves for Retirement Allowances	—		11,079	
2. Reserves for Retirement Allowances	9,484		—	
3. Reserves for Retirement Allowances for Directors	111,618		110,114	
4. Others	10,417		278,063	
<i>Total Fixed Liabilities</i>	131,520	3.1	399,257	9.3
<b>Total Liabilities</b>	1,795,004	42.0	1,971,245	45.9
<i>(Shareholders' Equity)</i>				
<b>I Capital Stock</b>	1,073,676	25.1	1,073,676	25.0
<b>II Legal Capital Surplus</b>	1,492,267	34.9	1,492,267	34.7
<b>III Accumulated Deficits</b>	81,017	(1.8)	241,786	(5.6)
<b>IV Others; Valuation variance of Marketable Securities</b>	(8,667)	(0.2)	—	
	2,476,258	58.0	2,324,157	54.1
<b>V Treasury Stocks</b>	(461)	(0.0)	(461)	(0.0)
<b>Total Shareholders' Equity</b>	2,475,797	58.0	2,323,695	54.1
<b>Total Liabilities and Shareholders' Equity</b>	4,270,801	100.0	4,294,941	100.0

## Interim Income Statement

(Unit: Thousand Yen)

Item	Income Statement for the Half Year ended on June 30, 2001		Income Statement Fiscal Year ended on December 31, 2000			
	Amount	%	Amount	%		
<b>I Sales</b>		7,157,777	100.0	8,557,909	100.0	
<b>II Costs of Sales</b>		5,938,806	83.0	6,880,799	80.4	
<i>Gross Profit</i>		1,218,970	17.0	1,677,109	19.6	
<b>III Selling, General &amp; Administrative Expenses</b> ※1		819,612	11.4	1,021,367	11.9	
<i>Operating Income</i>		399,358	5.6	655,742	7.7	
<b>IV Non-operating Income</b>						
1. Interest received	2,986			3,720		
2. Capital gains on sales of securities	—			3,586		
3. Capital gains on sales of investment securities	9,143			—		
4. Sales Promotion income	—			5,500		
5. Other non-operating income	7,606	19,736	0.3	13,284	26,090	0.3
<b>V Non-operating Expenses</b>						
1. Interest Paid	2,907			3,052		
2. Stock Issuance Expenses	—			10,932		
3. IPO Expenses	—			31,976		
4. Losses in Valuation of Securities	—			63,114		
5. Other non-operating expenses	2,043	4,950	0.1	6,323	115,398	1.4
<i>Ordinary Income</i>		414,143	5.8	566,434	6.6	
<b>VI Extraordinary Income</b>						
Reversal of allowance for doubtful accounts	678	678	0.0	—	—	
<b>VII Extraordinary Losses</b>						
1. Adjustment for consolidated accounts	—			758,847		
2. Losses on sales of fixed assets ※2	—			1,149		
3. Losses on disposal of fixed assets ※3	2,516			9,391		
4. Loss on valuation on investment securities	6,434	8,950	0.1	—	769,389	9.0
<i>Interim (Current) Net Income before Taxes</i>		405,871	5.7	(202,954)	(2.4)	
Provision for Corporate Tax, Inhabitants Tax & Enterprise Tax	197,485			260,663		
Adjustments for Income Taxes and others	(3,754)	193,731	2.7	(156)	260,507	3.0
Minority shareholders' profit (deduct)		—			10,422	0.1
<i>Interim (Current) Net Income</i>		212,140	3.0	(473,885)	(5.5)	

Current Interim Period Retained Earnings Report

(Unit: Thousand Yen)

Item	Period	Current Interim Period From Jan. 1 2001 through June 30, 2001		Prior consolidated fiscal year From Jan. 1 2000 through Dec. 30 ,2000	
		Amount		Amount	
<b>I Beginning Balance</b>					
1. Accumulated Deficit Balance		241,786		-	
2. Consolidated Retained Earnings Balance		-		219,096	
3. Tax Adjustments from Prior Years		-	(241,786)	23,667	242,763
<b>II Decrease in Retained Earnings or Increase in Accumulated Deficit</b>					
Dividends		51,371	51,371	10,664	10,664
<b>III Interim period net income or loss</b>			212,140		(473,885)
<b>IV Accumulated Deficit Balance</b>			81,017		241,786

## ④ Cash Flows Statement

( ) indicates decrease.  
(Unit: Thousand Yen)

Item	Period	Current Interim Period From Jan. 1 2001 through June 30, 2001	Prior consolidated fiscal year From Jan. 1 2000 through Dec. 30 ,2000
		Amount	Amount
<b>I Cash Flows from Operating Activities</b>			
Interim Net Income before Taxes		405,871	(202,954)
Depreciation and Amortization		14,983	19,273
Adjustment in consolidated accounts		—	758,847
Increases in Allowances for Doubtful Accounts		(678)	1,686
Increases in Reserves for Employee Bonuses		(994)	6,714
Increases in Reserves for Employee Retirement		(11,079)	11,009
Increases in Reserves for Employee Retirement Allowance		9,484	—
Increases in Reserves for Retirement Allowances for Directors		1,503	—
Valuation Losses in Securities		—	63,114
Interest and Dividend Income		(4,056)	(4,320)
Interest Expenses		2,907	3,052
Losses on Sales of Marketable Securities		(9,143)	—
Valuation Losses in Securities held for Investment		6,434	—
Losses on Disposal of Fixed Assets		2,516	9,391
Decreases in Receivables (Increases)		81,351	(362,637)
Increases in Inventories		(208,850)	(188,724)
Increases in Payables		194,009	172,078
Increases in Other Assets and Liabilities		2,652	(2,744)
<i>Subtotal</i>		486,913	283,788
Receipt of Interest and Dividend Income		4,056	4,320
Payments of Interest Expenses		(2,907)	(3,052)
Payments of Income Taxes		(157,181)	(332,603)
<i>Net Cash Provided by Operating Activities</i>		330,880	(47,547)

(Unit: Thousand Yen)

Item	Period	Current Interim Period From Jan. 1 2001 through June 30 2001	Prior consolidated fiscal year From Jan. 1 2000 through Dec 30 2000
<b>II Cash Flows from Investing Activities</b>			
Proceeds from Time Deposits		40,351	—
Purchases of Marketable Securities		—	(409,591)
Proceeds from Sales of Marketable Securities		—	88,137
Purchases of Investment Marketable Securities		(49,100)	—
Proceeds from Sales of Investment Marketable Securities		74,060	—
Purchases of Fixed Assets		(14,735)	(111,376)
Payments for a subsidiary that involves change in consolidation		—	(749,904)
Other, Net		(7,109)	(32,152)
<i>Net Cash Provided by Investing Activities</i>		43,466	(1,214,887)
<b>III Cash Flows from Financing Activities</b>			
Repayments of short-term debts		(134,137)	(25,367)
Repayments of long-term debts		(263,933)	—
Proceeds from Issuance of New Shares		—	1,850,000
Payments to acquire treasury stock		—	(461)
Payments of Dividends		(51,371)	(10,664)
<i>Net Cash Provided by Financing Activities</i>		(449,441)	1,813,505
<b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		—	—
<b>V Increases in Cash and Cash Equivalents (Decrease)</b>		(75,094)	551,071
<b>VI Cash and Cash Equivalents at Beginning of Year</b>		1,272,412	721,340
<b>VII Cash and Cash Equivalents at End of the First half Year</b>		1,197,317	1,272,412

## Important Accounting Policies

<div style="text-align: center;">Period</div> <div style="text-align: left;">Item</div>	<div style="text-align: center;">Half Year ended on June 30, 2001</div>	<div style="text-align: center;">Prior Fiscal Year ended on December 31, 2000</div>
1. Company Subject to Consolidation	Number of consolidated subsidiary: 1 Name of consolidated subsidiary: Telec Co., Ltd.	Number of consolidated subsidiary: 1 Name of consolidated subsidiary: Telec Co., Ltd. We acquired Telec Co. Ltd's shares and it became subject to consolidation.
2. Date of the Interim period for consolidated subsidiary	Interim period ended on May 31, 2001 for Telec Co., Ltd. We use financial statements for the period ended that day for this consolidation purpose. However, significant transactions that occurred from June 1 to June 30 of 2001 were adjusted for consolidation purposes.	The fiscal year ended on November 30, 2000 for Telec Co., Ltd. We use financial statements for the period ended that day for this consolidation purpose. However, significant transactions that occurred from December 1 to December 31 of 2000 were adjusted for consolidation purposes.  Telec Co. changed its fiscal year end from 8/31 to 11/30, so we used financial statements for the 3 month period ended November 30, 2000 for the purpose of consolidated financial statement preparation.
3. Accounting Principles  (1) Basis of Asset Valuation and Methodology	<i>Securities</i> <i>Securities with market price</i> Market value Method based on the market price on the end of the interim period. (Valuation gain or loss is recorded in capital section. Cost of Securities sold is calculated using moving average method.) <i>Securities with no market price</i> Cost Method on Moving Average  <i>Inventories</i> <i>Merchandise</i> Cost Method on Moving Average <i>Raw Materials</i> Last Purchased Cost method	<i>Securities</i> <i>Marketable Securities</i> Lowering of Cost or Market on Moving Average ( Reversal Method ) <i>Non-marketable Securities</i> Cost Method on Moving Average  <i>Inventories</i> <i>Merchandise</i> Cost Method on Moving Average <i>Raw Materials</i> Last Purchased Cost method

<div style="text-align: center;">Period</div> <div style="text-align: left;">Item</div>	<div style="text-align: center;">Half Year ended on June 30, 2001</div>	<div style="text-align: center;">Prior Fiscal Year ended on December 31, 2000</div>
<p>(2) Method of Depreciation of Fixed Assets</p>	<p><i>Tangible Fixed Assets</i> The declining balance method (buildings use the straight-line method).</p> <p><i>Intangible Fixed Assets</i> Straight-line method.</p> <p>Company software is depreciated according to the straight-line method on an estimated life cycle of 5 years.</p> <p><i>Long-term prepaid expenses</i> Straight-Line Method</p> <p><i>Deferred Assets</i></p> <hr style="width: 20%; margin-left: 0;"/>	<p><i>Tangible Fixed Assets</i> The declining balance method (buildings use the straight-line method under the prescription of the Corporation Tax Law).</p> <p><i>Intangible Fixed Assets</i> Straight-line method under the prescription of the Corporation Tax Law Company software is depreciated according to the straight-line method on an estimated life cycle of 5 years.</p> <p><i>Long-term prepaid expenses</i> Straight-Line Method under the prescription of the Corporation Tax Law.</p> <p><i>Deferred Assets</i> <i>Stock Issuance Expenses</i> Expensed at the time of Issuance</p>
<p>(3) Recognition Standards for Important Reserves</p>	<p><i>Allowances for Doubtful Accounts</i> In order to properly reserves for losses from uncollectable accounts, average default rate is applied for normal accounts as well as examining the collectability of each doubtful account.</p> <p><i>Bonus Reserve</i> Reserve is provided for the payments of bonus to the employees.</p> <p><i>Reserves for Retirement Allowances</i> Reserves for Retirement Allowances were recorded at the amount deemed to incur during this half year by estimating the necessary payments computed under the retirement allowance calculation method (simplified method.)</p> <p><i>Reserves for Retirement Allowances for Directors</i> In order to properly provide for Retirement Allowances for Directors, reserve is recorded in accordance with the company rules for the interim period.</p>	<p><i>Allowances for Doubtful Accounts</i> In order to properly reserves for losses from uncollectable accounts, reserves are set up under the prescription of the Corporation Tax Law and by examining collectability of each account.</p> <p><i>Bonus Reserve</i> Reserve is provided for the payments of bonus to the employees.</p> <p><i>Reserves for Retirement Allowances</i> Reserves for Retirement Allowances were set up by estimating the necessary payments of retirement allowances on the assumption that some employees will retire for personal reasons at the end of the year.</p> <p><i>Reserves for Retirement Allowances for Directors</i> In order to properly provide for Retirement Allowances for Directors, reserve is recorded in accordance with the company rules for the end of the year.</p>

<div style="text-align: center;">Period</div> <div style="text-align: left;">Item</div>	<div style="text-align: center;">Half Year ended on June 30, 2001</div>	<div style="text-align: center;">Prior Fiscal Year ended on December 31, 2000</div>
<p>(4) Other significant items in preparing the consolidated financial statement of this interim period.</p> <p>4. Definition of Cash and Cash Equivalents for the interim period or consolidated cash flows statement</p>	<p><i>Accounting treatment for Consumption Taxes and others</i></p> <p>Revenue is recorded excluding collected consumption taxes.</p> <p>Cash and Cash Equivalents for the interim period cash flows statement are cash on hand, savings that are easily withdrawable and short term investments that mature within 3 months and carry little risk in valuation.</p>	<p><i>Accounting treatment for Consumption Taxes and others</i></p> <p>Revenue is recorded excluding collected consumption taxes.</p> <p>Cash and Cash Equivalents for the interim period cash flows statement are cash on hand, savings that are easily withdrawable and short term investments that mature within 3 months and carry little risk in valuation.</p>

**Additional Information**

Half Year ended on June 30, 2001	Prior Fiscal Year ended on December 31, 2000
<p>(Accounting for Retirement Allowances)</p> <p>Beginning in the current half year period, Accounting Principles for Retirement Allowances (“Opinion for setting up accounting standards with regards to retirement allowance”, Corporate Accounting Committee, June 16, 1998) are applied. Our company and consolidated subsidiary use the simplified method and there is no impact to the financial statements made due to this change of accounting standards.</p>	<hr/>
<p>(Financial Product Accounting)</p> <p>In this interim period, we adopted the Financial Products Accounting Standard for setting up accounting standards with regard to financial products (Corporate Accounting Committee, January 22, 1999), which affected our securities valuation method. The effect of the adoption of this standard is a decrease of ordinary income by 61,000 Yen, and an increase of net income before income tax of 643,000 Yen. In addition, at the start of the period, we examine the inventory of securities we own and bonds maturing within a year are categorized as “Securities” in Current Assets, and other securities are listed under Investments in Securities. As a result, “Securities” under Current Assets are decreased by 217,340,000 Yen and Investment in Securities is increased by 217,340,000 Yen.</p>	<hr/>

## Notes

### (Interim Balance Sheet Related)

Half Year ended on June 30, 2001	Prior Fiscal Year ended on December 31, 2000										
<p>1 Accumulated Depreciation of Tangible Fixed Assets 46,246 thousand Yen</p>	<p>1 Accumulated Depreciation of Tangible Fixed Assets 32,841 thousand Yen</p>										
<p>2 _____</p>	<p>2 Property used as lien</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Term Deposits</td> <td style="text-align: right;">39,336 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">69,800 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Land</td> <td style="text-align: right;">85,400 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;"><u>Deposits</u></td> <td style="text-align: right;"><u>45,000 thousand Yen</u></td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">239,536 thousand Yen</td> </tr> </table> <p>The properties listed above serves as lien for the long-term loans of 189,189 thousand Yen that will be paid back within one year.</p>	Term Deposits	39,336 thousand Yen	Buildings	69,800 thousand Yen	Land	85,400 thousand Yen	<u>Deposits</u>	<u>45,000 thousand Yen</u>	Total	239,536 thousand Yen
Term Deposits	39,336 thousand Yen										
Buildings	69,800 thousand Yen										
Land	85,400 thousand Yen										
<u>Deposits</u>	<u>45,000 thousand Yen</u>										
Total	239,536 thousand Yen										

### (Interim Income Statement Related)

Half Year ended on June 30, 2001	Prior Fiscal Year ended on December 31, 2000																										
<p>1</p> <p>Major items under Selling and General administration expenses are as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Salaries</td> <td style="text-align: right;">190,069 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Other wages</td> <td style="text-align: right;">150,282 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Land contract fee Rents</td> <td style="text-align: right;">112,910 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of bonus reserves</td> <td style="text-align: right;">12,986 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of Retirement Allowances Reserves</td> <td style="text-align: right;">1,998 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of Directors Retirement Allowances</td> <td style="text-align: right;">1,603 thousand Yen</td> </tr> </table>	Salaries	190,069 thousand Yen	Other wages	150,282 thousand Yen	Land contract fee Rents	112,910 thousand Yen	Reversal of bonus reserves	12,986 thousand Yen	Reversal of Retirement Allowances Reserves	1,998 thousand Yen	Reversal of Directors Retirement Allowances	1,603 thousand Yen	<p>1</p> <p>Major items under Selling and General administration expenses are as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Salaries</td> <td style="text-align: right;">235,739 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Other wages</td> <td style="text-align: right;">169,887 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Land contract fee Rents</td> <td style="text-align: right;">121,957 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of Allowances for Doubtful accounts</td> <td style="text-align: right;">1,686 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of bonus reserves</td> <td style="text-align: right;">8,990 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of Retirement Allowances Reserves</td> <td style="text-align: right;">5,573 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of Directors Retirement Allowances</td> <td style="text-align: right;">5,954 thousand Yen</td> </tr> </table>	Salaries	235,739 thousand Yen	Other wages	169,887 thousand Yen	Land contract fee Rents	121,957 thousand Yen	Reversal of Allowances for Doubtful accounts	1,686 thousand Yen	Reversal of bonus reserves	8,990 thousand Yen	Reversal of Retirement Allowances Reserves	5,573 thousand Yen	Reversal of Directors Retirement Allowances	5,954 thousand Yen
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<p>2 _____</p>	<p>2 Details for loss on sales of assets are as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">1,013 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;">Vehicles</td> <td style="text-align: right;">73 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;"><u>Furniture &amp; Fixtures</u></td> <td style="text-align: right;"><u>63 thousand Yen</u></td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">1,149 thousand Yen</td> </tr> </table>	Buildings	1,013 thousand Yen	Vehicles	73 thousand Yen	<u>Furniture &amp; Fixtures</u>	<u>63 thousand Yen</u>	Total	1,149 thousand Yen																		
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<p>3 Details for losses on disposal of assets are as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">2,455 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;"><u>Vehicles</u></td> <td style="text-align: right;"><u>60 thousand Yen</u></td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">2,516 thousand Yen</td> </tr> </table>	Buildings	2,455 thousand Yen	<u>Vehicles</u>	<u>60 thousand Yen</u>	Total	2,516 thousand Yen	<p>3 Details for losses on disposal of assets are as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">1,190 thousand Yen</td> </tr> <tr> <td style="padding-left: 20px;"><u>Software</u></td> <td style="text-align: right;"><u>8,200 thousand Yen</u></td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">9,391 thousand Yen</td> </tr> </table>	Buildings	1,190 thousand Yen	<u>Software</u>	<u>8,200 thousand Yen</u>	Total	9,391 thousand Yen														
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Total	9,391 thousand Yen																										

*(Interim Cash Flows Statement Related)*

Half Year ended on June 30, 2001	Prior Fiscal Year ended on December 31, 2000
<p>(1) Cash and Cash Equivalents Balance for the interim Period (in thousand yen)</p> <p>Cash and Saving accounts 148,070</p> <p><u>Securities maturing within 3 months 1,049,247</u></p> <p>Cash and Cash Equivalents 1,197,317</p>	<p>(1) Cash and Cash Equivalents Balance for the fiscal period (in thousand yen)</p> <p>Cash and Saving accounts 208,835</p> <p>Securities maturing within 3 months 1,103,928</p> <p><u>CD's maturing later than 3 months (40,351)</u></p> <p>Cash and Cash Equivalents 1,272,412</p>
<hr/>	<p>(2) Details of assets and liabilities of newly joined consolidated subsidiary</p> <p>Due to the stock acquisition of Telec Co., Ltd., following are the details of the balance sheet at the beginning of the consolidation period and related costs incurred at the time of stock acquisition. (in thousand Yen.)</p> <p>Current Assets 906,486</p> <p>Fixed Assets 437,791</p> <p>Adjustments for consolidation 751,978</p> <p>Current Liabilities (756,456)</p> <p>Long-term Liabilities (528,788)</p> <p>Minority Shareholder's portion <u>(21,251)</u></p> <p>Stock Purchase Price 789,760</p> <p>Telec Co.,Ltd. cash and cash equivalents <u>(39,855)</u></p> <p>Payments for stock purchase <u>749,904</u></p>

*(Lease Transaction)*

None.

*(Per Share Information)*

(Unit: Yen)

Item \ Period	Current Interim Period (From Jan. 1, 2001 to June 30, 2001)	Fiscal Year ended on 12/31/00 (From Jan. 1, 2000 to Dec. 31, 2000)
Net Asset per Share	351,150 .99	329,577 .92
Net Income per Share for the period	30,088 .58	73,370 .68
Net income per share after dilution for the period	30,081 .76	-

(Notes) As for prior year net income per share after dilution, the company has a new stock option balance, but net income per share after dilution for the year ended December 2000 was not disclosed since loss was incurred for that period.

*(Significant Events after the period)*

None.

**(2) Others:** None

## Segment Information

### 1. Segment information by operation type

This consolidated group engages in mobile phone sales; we do not have any other segment.

### 2. Segment information by country

We do not have any overseas consolidated subsidiaries or branches, thus this is not applicable.

### 3. Overseas Sales

We have no sales overseas, not applicable.

## Production, Order and Sales Conditions

### (1) Production

Not applicable since we have no production activities.

### (2) Purchase of merchandise

See below for the interim period.

(Unit: Thousand Yen)

Name of Business Unit	Half year period from Jan. 1 through June 30, 2001	Comparison from last Year
Mobile phone sales division	4,398,515	- %

(Notes) 1. The amount is based on purchase price.

2. The amount above does not include consumption taxes.

Since we started preparing the interim financial statements for the first time in this period, we did not compare the amount against that of the same period last year.

### (3) Back Orders outstanding

Our Group (The Company and the consolidated subsidiary) do not accept back orders, thus this is not applicable.

### (4) Sales Performance

(Unit: Thousand Yen)

Name of Business Unit	Item	Half year period from Jan. 1 through June 30, 2001	Comparison from last Year
Mobile phone sales division	Merchandise Sales	1,844,353	- %
	Commission Received	5,313,423	- %
	Total	7,157,777	- %

Since we started preparing the interim financial statements for the first time in this period, we did not compare the amounts against that of the same period last year.

(Notes)1. Gross sales and percentage of sales to major customers are as follows:

(Unit : Thousand Yen)

Customer Name	Interim Period Last Year (From Jan. 1, 2000 to June 30, 2000)		Current Interim Period (From Jan. 1, 2001 to June 30, 2001)	
	Amount	Ratio	Amount	Ratio
J-PHONE EAST	-	- %	5,258,251	73.5%

(Note) As of October 1, 2000, J-PHONE TOKYO, J-PHONE TOHOKU and J-PHONE HOKKAIDO were merged and became J-PHONE EAST . Since we started preparing the interim financial statements first time in this period, we did not record the amounts for the same period last year.

2. The amounts above do not include consumption taxes.

## Valuation of Securities

As for the prior year interim period market value of securities, they are listed in the notes attached to the interim financial statements.

Current Interim Period ( As of June 30, 2001 )

### 1. Other Securities with Market Price

(Unit: Thousand Yen)

Type	Cost	Amount listed on the current balance sheet as of June 30, 2001	Difference
(1) Stocks	90,375	90,604	228
(2) Bonds	-	-	-
(3) Others	155,275	133,641	(21,633)
Total	245,650	224,246	(21,404)

### 2. Securities with no market price

(Unit: Thousand Yen)

Type	Current interim period end (6/30/01)
	Amount listed on interim balance sheet
Other Securities:	
Money Management Fund	29,045
Money Reserve Fund	35,300
Free Financial Fund	549,024
Chukoku Fund	370,840

(Prior Fiscal Year)

Securities with Market Price

(Unit: Thousand Yen)

Type	Amount listed on the current balance sheet as of June 30, 2001	Market Value	Loss on Valuation
(1) Current assets			
Stocks	106,192	104,311	(1,881)
Others	155,275	135,258	(20,016)
Sub Total	261,467	239,569	(21,897)
(2) Fixed Assets	-	-	-
Total	261,467	239,569	(21,897)

(Notes) 1. Market Valuation Method

Listed Securities	Last Price on Tokyo Stock Exchange
OTC traded Securities	Quoted Prices available from Japan Securities Dealers Association
Securities of Investment Trust (Unlisted)	NAV

2. Securities not included above disclosure

(Current Assets)	Prior Consolidated Fiscal Year
Money Management Fund	552,930 thousand Yen
Free Financial Fund	450,649 thousand Yen
Chukoku Fund	100,347 thousand Yen
Others	1 thousand Yen

**(Derivatives related)**

*Current Interim Accounting Period*

The company did not use derivative transactions; thus no disclosure is required on derivatives

*Previous Fiscal Year*

The company did not use derivative transactions; thus no disclosure is required on derivatives

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.