(Translation)

TELEPARK
Toward the Future

November 7, 2005

Non-consolidated Interim Financial Results
for the Fiscal Year Ending March 2006

Company name:	Telepark Corp.
Stock code:	3738
Stock exchange listing:	Tokyo Stock Exchange, First Section
Company domicile:	Tokyo, Japan
URL:	http://www.teleparkcorp.com
President & CEO	Shigenori Miyazaki
Contact:	Hideo Sugimura, Officer, General Manager, Corporate Planning Tel: +81-(0) 3-5804-7090

Date of board meeting for approving financial results: November 7, 2005
The Company has a system of interim dividend. (Interim dividend payment date: December 12, 2005)
The Company does not employ a unit stock system.
Name of the parent company: Mitsui & Co. Ltd. (Stock code: 8031) Voting rights: 61.9%

1. Financial Results for the First Half Year Ended September 30, 2005
(April 1, 2005 – September 30, 2005)
(1) Results of Operations

All amounts are rounded down to the nearest million yen

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
First half year ended Sep. 2005	140,075	19.9	3,934	46.2	3,952	47.0
First half year ended Sep. 2004	116,792	35.2	2,692	(7.1)	2,688	(7.5)
Year ended Mar. 2005	260,008		5,133		5,137	

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change %	Yen	Yen
First half year ended Sep. 2005	2,266	44.3	13,806.28	13,748.46
First half year ended Sep. 2004	1,571	(6.8)	9,617.96	9,573.93
Year ended Mar. 2005	2,964		17,991.52	17,905.56

Notes:
1. Equity in earnings of non-consolidated subsidiaries
   First half year ended Sep. 2005: - million yen
   First half year ended Sep. 2004: - million yen
   Year ended Mar. 2005: - million yen
2. Weighted average number of shares outstanding
   First half year ended Sep. 2005: 164,165 shares
   First half year ended Sep. 2004: 163,355 shares
   Year ended Mar. 2005: 163,616 shares
3. Changes in accounting principles applied: None
4. The percentages shown for net sales, operating income, ordinary income, and net income represent changes from the same period in the previous fiscal year.

(2) Dividends

	Dividend per share	
	Interim	Annual
	Yen	Yen
First half year ended Sep. 2005	3,500.00	-
First half year ended Sep. 2004	4,000.00	-
Year ended Mar. 2005	-	9,000.00

(3) Financial Position

All amounts are rounded down to the nearest million yen

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of Sep. 2005	45,756	12,536	27.4	76,311.14
As of Sep. 2004	40,436	10,260	25.4	62,607.69
As of Mar. 2005	49,860	11,030	22.1	67,181.27

Notes:

1. Number of shares outstanding at end of period
   - As of Sep. 2005: 164,282 shares
   - As of Sep. 2004: 163,880 shares
   - As of Mar. 2005: 163,880 shares
2. Number of treasury stock at end of period:
   - As of Sep. 2005: - shares
   - As of Sep. 2004: - shares
   - As of Mar. 2005: - shares

(4) Cash Flows Position

All amounts are rounded down to the nearest million yen

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
First half year ended Sep. 2005	2,698	(288)	(1,506)	1,242
First half year ended Sep. 2004	-	-	-	-
Year ended Mar. 2005	-	-	-	-

Note: Because the Company prepared consolidated financial statements during the interim FY2004 and FY2005, information has not presented in above.

2. Forecast for the Year Ending March 2006 (Apr. 1, 2005 – Mar. 31, 2006)

	Net sales	Ordinary income	Net income	Dividend per share	
				Year-end	
	Million yen	Million yen	Million yen	Yen	Yen
Full Year	295,000	5,800	3,300	1,750.00	3,500.00

Reference: Estimated net income per share for the year ending March 2006: 10,043.71 yen

Notes:

1. The Board of Directors resolved on November 7, 2005 to implement a two-for-one stock split on January 20, 2006 for shareholders on record as of November 30, 2005. Annual dividend and net income per share forecasts are calculated based on the forecast number of shares after the stock split (328,564 shares).
2. Forward Looking Statements

   Forecasts regarding future performance in these materials are based on estimates and judgments of the Company's management made in accordance with information available at the time this report was prepared. Forecasts therefore embody risks and uncertainties. Actual results may differ significantly from these forecasts for a number of factors. Readers are advised to refer to supplementary information in financial results (Page 11) for details on business forecasts, and assumptions and other relevant factors on which they are based.

(Translation)

1. Corporate group

The Telepark group, composed of Telepark Corp. and subsidiary Mobitec, operates two main businesses: the mobile business, centered on the sale of mobile phones and PHS, and the network business, comprised of 'MYLINE,' dry copper, ADSL, and FTTH brokering, as well as FTTH promotional support services. Two other businesses include the contents business, comprised of contents distribution for mobile phones, and the distribution business, comprised of mobile phone-related product sales.

Main activities are as follows:

(1) Mobile business

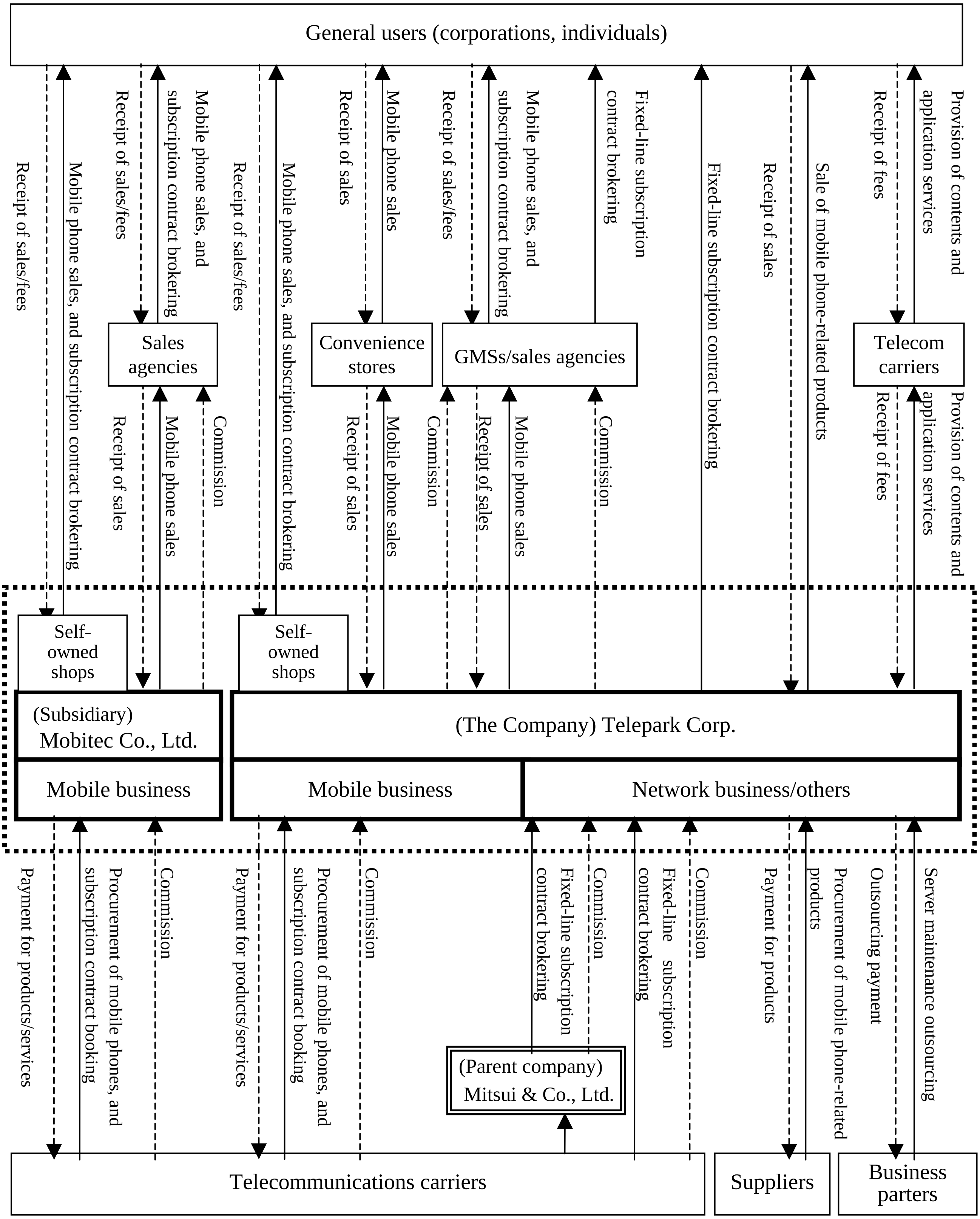
The main activities of the mobile business are the brokering of mobile phone and PHS subscription services, and the sale of mobile phones and handsets. We broker communication subscription services for mobile phone carriers (NTT DoCoMo Group, KDDI Group, and Vodafone Group), and receive a commission for each successfully concluded subscription contract based on our sales agent agreement with each carrier. We broker communication services and sell mobile phones to general users through our nationwide distribution channels, which include secondary sales agencies (volume electronics retailers and general sales agencies), self-owned shops, and direct sales to corporations. We also use nationwide convenience stores as secondary sales agents to sell pre-paid mobile phones and cards.
Also, our subsidiary Mobitec sells mobile phones at self-owned shops and group sales agencies in Kyushu and Okinawa based on a sales agent agreement concluded with NTT DoCoMo Kyushu.

(2) Network business

The main business activity of the network business is the brokering of 'MYLINE' and other fixed-line subscription services for individuals and corporations. We have concluded sales agent agreements with NTT Group companies NTT East, NTT West, and NTT Communications; newer telecommunications companies such as JAPAN TELECOM and KDDI; and telecom companies established by electric power companies (FUSION COMMUNICATIONS and Kyushu Telecommunication Network). Commissions paid to us by fixed-line telecommunications companies include broker commissions for each successfully brokered subscription contract, and a running commission based on a fixed proportion of each subscription line's telecommunications charges (running commissions are paid for a limited period).
We also operate two other businesses: a content business in which we provide content services, such as ringer melodies, for mobile phones through Internet sites; and a distribution business in which we sell mobile phone-related products. (contents, promotional giveaways, etc.)

(Translation)

Below is a visual schematic of our business.



1. Our group is represented within the dotted lines.
2. Our consolidated subsidiary Mobitec handles only NTT DoCoMo products in Kyushu and Okinawa area.
3. In the network business, business activities with some mobile carriers are carried out through our parent company Mitsui & Co., Ltd.

Affiliate companies

Name	Address	Capital (Million yen)	Main business	Voting rights [owned] (%)	Relationship	Remark
Mitsui & Co., Ltd. (Parent company)	Chiyoda-ku, Tokyo	192,499	Comprehensive trading house	[61.91]	Sale, procurement, and subscription services for mobile products Concurrent directors: 4	Note
Mobitec Co., Ltd. (Subsidiary)	Fukuoka city, Fukuoka	10	Mobile phone sales, etc.	100.00	Concurrent directors: 5 Fund support	

Note: Mitsui & Co., Ltd. submits a marketable securities report (Yuka Shoken Hokokusho).

2. Management policies

(1) Basic management policy

We aim to leverage our nationwide sales network, and experience in providing comprehensive telecommunications services, to meet the ever-changing needs of users in a rapidly growing telecommunications industry constantly spurred on by technological progress.

In January 2003, we formulated a corporate code emphasizing implementation and respect for the 5Cs of Contribution, Challenging split, Creativity, Compliance and Corporate governance. We aim to contribute to society through telecommunications services, to constantly challenge ourselves to be better, to continuously create new services and products, to comply with laws, ethics, codes of conduct, and to implement strict corporate governance not swayed by near-term success.

(2) Basic profit allocation policy

Our basic profit allocation policy is to provide stable dividends, centered on a payout ratio of about 30%, while ensuring we secure sufficient retained earnings to strengthen and grow our business.

We plan to use retained earnings to expand our mobile business, launch new businesses, train employees, and make strategic investments.

(3) Basic stance and policy on lowering the minimum investment lot

We recognize that lowering the minimum investment lot is an important means to promote greater individual investor participation in the stock market, and to improve stock liquidity. In light of our share price performance since listing on April 7, 2004, we initiated a two-for-one stock split effective July 9, 2004 for shareholders on record as of May 31, 2004. Also, the Board of Directors resolved on November 7, 2005 to implement a two-for-one stock split on January 20, 2006 for shareholders on record as of November 30, 2005. A general target is to keep the minimum investment lot below 500,000 yen, a level the Tokyo Stock Exchange has determined should be, as a general rule, the largest investment lot.

(4) Performance targets

We place particular importance on ROA, and aim to establish a high-earnings structure in which we can maintain an ROA of over 10%.

(5) Medium to long-term business strategy

The mobile phone industry is undergoing momentous change now that the mobile phone market has matured. Slower market growth has intensified competition among sales agencies, and this has pressured profits particularly at small and intermediate-sized agencies. However, to raise ARPU, which has deteriorated with increased mobile phone penetration, mobile carriers have begun to introduce new services that have triggered greater diversity and sophistication of mobile phones, and mobile phone use. Users are now able to choose mobile phones that better match their individual lifestyles. We believe only mobile phone sales agencies with abundant funds, strong organizations, and superior information-gathering capabilities will succeed going forward. The same can be said of the fixed-line communications industry. ADSL, FTTH, and VoIP technologies have attracted a lot of attention over the past years, but the business potential of these technologies has just begun to be realized.

We aim to be a leader in the communications industry by contributing to the development of both mobile and fixed-line communications markets. We intend to carry out the following medium-term strategies to increase earnings, and by extension, enhance corporate value.

1) Strengthen our core business

Expand our market share by flexibly increasing our nationwide sales network to take advantage of industry-wide consolidation.

2) Develop and cultivate new businesses

Develop a new source of revenue, in the continuously growing telecommunications market, that is second only to our core business of selling mobile phones and brokering subscription services.

3) Improve efficiency and strengthen operations

We aim to increase earnings in each business by improving efficiency, and to strengthen operations by recruiting and training talented employees, and solidifying our financial condition.

(6) Challenges

As we mentioned above, the mobile phone industry is undergoing momentous change now that the mobile phone market has matured, and realignment is proceeding rapidly among mobile phone sales agencies. We plan to focus our resources on our core mobile phone and fixed-line businesses, and strengthen our corporate structure, as we see these industry changes as an important opportunity to expand our business.

In the mobile business, we aim to expand our sales network through M&A activity and the establishment of partnerships with small and medium-sized sales agencies, and we expect unit sales to pick up as volume consumer electronics retailers open new stores. opening of new sales agencies in step with new store openings by leading volume consumer electronics retailers. We intend to improve profitability by boosting operational efficiency, and achieving synergies through the merger with Mobitec.

In the network business, our main focus has been brokering ‘MYLINE’ service subscriptions. However, in light of the full-scale penetration of broadband services, we aim to diversify into ‘dry copper’ and ‘FTTH services’ to expand our business and earnings.

(7) Basic corporate governance stance and status

1) Basic corporate governance stance

We recognize the important role corporate governance plays in guaranteeing the basic rights of shareholders. We aim to focus on corporate governance in our daily operations, and establish a structure that promotes 1) management transparency, and 2) the preservation and expansion of corporate value. Management transparency begins with ensuring clarity in the decision-making process among the Board of Directors and Auditors, and that important events and facts affecting the business are disclosed in a fair and timely manner. The preservation and expansion of corporate value is premised on the existence of a Responsibility Accounting System whereby the Company’s two business divisions and two branches function as independent profit centers, backed by an Internal Audit System. Also, we have a compliance committee that is charged with improving group-wide compliance, including customer data management and risk analysis.

2) Corporate governance status

i. Status of corporate governance for management decision-making, business execution, and auditing

a. Internal corporate governance bodies and systems

Our company has adopted an Auditor Board System for corporate governance, which means that, in a legal sense, we are not a company with a Committee System. The Board of Directors is composed of eight members, two of whom are external directors. All four members of the Board of Auditors are external auditors. We have adopted an Executive Officer System whereby nine officers serve under the president. All six internal board directors serve as officers. The Board of Directors, the Board of Auditors, and the Executive Officer Committee, meet regularly once a month to discuss operational problems and improve inter-divisional communication. We also have an internal audit office that conducts internal audits under the authority of the Board of Auditors.

b. Risk management structure

We recognize that risk management plays an important role in preserving corporate value. Two years ago we positioned ‘compliance’ as an important management theme, and established a Compliance Committee to formulate a ‘Telepark Code of Conduct.’

In December 2004, we established in collaboration with an external body ‘Employee Help Line’ to ensure management is made aware of internal problems as soon as possible.

We also established a work group within the Compliance Committee to formulate a personal information protection manual, and had an external lecturer train all our employees regarding this issue last fiscal year.

c. Internal audit office, corporate auditors, and audit firm

The internal audit office, composed of two professional staff members directly responsible to the president, conducts accounting audits, operational audits, and personal information protection audits.

Corporate auditors are composed of four auditors, all of whom are external auditors. While the Board of Auditors does not have its own staff, it closely cooperates with the internal audit office in sharing and exchanging information to improve audit efficiency. Auditor activities include interviewing board directors, attending Board of Director and other important meetings, auditing branch companies and shops, and interviewing the various corporate division heads. Auditors and the audit firm meet regularly to plan, implement, and review audits.

The names of the certified public accountants that have audited our company's books, the audit firm they work for, and the number of years they have been auditing our books, are listed in the table below. Besides below, another six assistants (three CPAs and three accounting assistants) assist in auditing our company's books.

CPAs that implement our company's audit	Audit firm	Continuous years of service (Note)
Designated auditor, Yasuyuki Onaka	Tohmatsu	-
Designated auditor , Yasuhiko Endo	Tohmatsu	-

Note: We have omitted the item 'continuous years of service' because it is less than seven years for each auditor.

ii. Personal, financial, business and other significant relationships between our company and the external directors and auditors

Two external directors and two external auditors come from our parent company Mitsui & Co., Ltd. Our business relationship with Mitsui & Co., Ltd. is very limited, and we have no business or other relationship with our external directors or auditors.

iii. Actions taken over the past year to improve corporate governance

Over the past year we have focused on personal information (particularly client information) management and protection; we established a work group under the Compliance Committee to formulate a personal information protection manual, and invited an external lecturer to educate and train all our employees regarding this issue. In December 2004, we established in collaboration with an external body 'Employee Help Line' to ensure management is made aware of internal problems as soon as possible.

(8) Parent company

1) Parent company details

Parent company	Relationship	Voting rights of the parent company (%)	Stock exchanges on which the parent company's shares are listed
Mitsui & Co., Ltd.	Parent company	61.91	Tokyo Stock Exchange, First Section Osaka Securities Exchange, First Section Nagoya Stock Exchange, First Section Sapporo Stock Exchange Fukuoka Stock Exchange NASDAQ (American Depository Receipt)

2) Positioning of our company in the parent group, and relationship with the parent group

We are a consolidated subsidiary of Mitsui & Co., Ltd., a comprehensive trading house, and are in charge of mobile and fixed-line sales and brokerage services for this company's IT business. However, our business operations are independent of the parent company. We may decide to cooperate more closely with Mitsui & Co., Ltd. if we determine that this is in our best interests, but in general the relationship between Mitsui & Co., Ltd. and our company is similar to that between a shareholder and its investment.

Two of our external directors, and two of our external auditors, are from Mitsui & Co., Ltd. We invited them because we believed that, based on a comprehensive evaluation of their knowledge and experience, they could positively contribute to our company's management. However, we plan to reduce the number of directors and auditors from Mitsui & Co., Ltd. over the medium term to establish a more independent management structure. The external auditor added to our Board of Auditors through a resolution passed at the General Shareholders Meeting held June 28, 2005 was selected from outside the Group.

3) Business relationship with the parent group
Interim FY2006 (April 1, 2005 to September 30, 2005)

Million yen

Relationship	Company name	Address	Paid-in capital and equity	Business	Ratio of voting rights	Affiliate company		Business transactions	Monetary value of business transactions	Category	Term-end balance
						Concurrent directors, etc.	Business relationship				
Parent company	Mitsui & Co., Ltd.	Chiyoda ku, Tokyo	192,499	Comprehensive trading house	61.91% [owned] direct	4 concurrent directors	Sales, subscription services, for mobile and fixed-line telecommunications	Commissions for network service sales, etc.	114	Accounts receivable	2
								Mobile equipment sales	12		
								Commissions paid for mobile equipment and network services	35	Accounts payable	3

Notes:
1. Business transaction values do not include consumption taxes; the term-end balance includes consumption taxes.
2. Transaction conditions and policies.
   1) Mobile equipment sales are determined based on market prices.
   2) Commissions for the network service sales, etc. are determined based on average unit commissions from mobile carriers.
   3) Commissions paid for the mobile equipment and network services are determined based on negotiated contracts for each project.
3. The term-end balance of accounts receivable and payable derive from mobile equipment sales and network service commissions.

(9) Other important management items
Not applicable.

3. Business results and financial condition

(1) Business results

The Japanese economy continued to gradually recover during the current interim period, despite concerns about the impact of surging crude oil prices, due to a steady increase in personal spending, improving corporate profits, and greater capital spending.

3G mobile phones began to penetrate the mobile phone market in earnest during the interim period. At the end of September 2005 there were 19.54 million units to au's 'CDMA2000 1x' (+9.0% over the end of March 2005), and 16.77 million units to NTT DoCoMo's 'FOMA' (+45.8% over the end of March 2005), according to the Telecommunications Carriers Association. Thus consumer demand is shifting to newer and more highly functional models. That said, mobile phone sales declined year-over-year as cumulative mobile phone subscriptions increased only 2.13 million units (+2.4% over the end of March 2005) to 89.12 million units at the end of September 2005.

Despite a decline in industry-wide mobile phone sales, our company managed to maintain mobile phone sales volumes at about last year's level because we expanded and strengthened our sales channel network. Additionally, profits rose year-over-year due to a better-than-expected increase in sales commissions and running commissions.

'MYLINE' subscription service brokering remained the core of the fixed-line telecommunications business as 'dry copper' a new product, failed to increase in line with expectations. However, sales and profits increased year-over-year as we booked in the current interim period volume incentives for new subscriptions handled in the previous fiscal term.

Sales in the interim period increased 19.9% year-over-year to a record 140,075 million yen, ordinary income 47.0% to a record 3,952 million yen, and net income 44.3% to a record 2,266 million yen.

Below we describe results by business segment:

1) Mobile business

We were able to maintain mobile phone sales volumes at last year's level of around 1.44 million units, despite a shrinking overall market, in part because of the spin-off of consolidated subsidiary Mobitec in July 2004, and an increase in sponsored sales agencies and volume consumer electronic retailers. Also, profits rose year-over-year due to a better-than-expected increase in sales commissions and running commissions.

Sales in the mobile business increased 18.6% year-over-year to 132,635 million yen, and operating income increased 45.0% to 2,425 million yen.

Our group mobile phone sales volumes declined 4.7% year-over-year to 1.45 million units including sales of subsidiary Mobitec.

2) Network business/others

We began 'dry copper' brokerage services for JAPAN TELECOM and KDDI in the current interim period, but subscription growth for JAPAN TELECOM's 'Otoku Line' fell short of our forecast. As a result, the total number of new brokered subscription lines (including 'MYLINE') was 230,000 units, or about 70,000 units short of the same period last year. However, profits increased year-over-year as we booked volume incentives on new subscriptions handled in the previous fiscal term, and experienced steady FTTH service brokering growth.

Sales in the network business increased 49.0% year-over-year to 7,440 million yen, and operating income increased 48.0% to 1,509 million yen.

(2) Financial condition

1) Cash flows in the current interim period

Cash flows from operating activities:

Cash flows from operating activities totaled 2,698 million yen. The major items were 1,700 million yen in income taxes paid, a 2,354 million yen increase in inventories, a 4,758 million yen decrease in accounts payable, a 3,906 million yen in income before income taxes, and a 7,376 million yen decrease in accounts receivable.

Cash flows from investing activities:

Cash flows used in investing activities totaled 288 million yen. The major items were 192 million yen in payment for purchase of property, plant and equipment for self-owned shop openings, 74 million yen in payment for leasehold deposits, and 56 million yen in payment for purchase of software.

Cash flows from financing activities:

Cash flows used in financing activities totaled 1,506 million yen. The major items were a 712 million yen decrease in borrowings, and 819 million yen in cash dividends paid.

We do not have year-over-year comparisons as we prepared consolidated interim financial statements in the last interim period.

The following table illustrates the historical movements of certain cash flow indices:

	FY2004		FY2005		FY2006
	Interim	Year-end	Interim	Year-end	Interim
Shareholders’ equity ratio (%)	24.0	16.8	25.1	22.0	27.4
Shareholders’ equity ratio based on market prices (%)	-	-	110.2	114.4	144.7
Debt to annual cash flow (year)	0.3	6.6	0.8	1.1	0.3
Interest coverage ratio (times)	308.1	54.6	209.0	191.3	652.5

Notes:

1. Cash flow indices are calculated as follows:
   Shareholders’ equity ratio: Shareholders’ equity / Total assets
   Shareholders’ equity ratio based on market prices: Market capitalization / Total assets
   Debt to annual cash flow: Interest-bearing liabilities / Operating cash flow
   (The Company doubled interim cash flow to arrive at an annual figure).
   Interest coverage ratio: Operating cash flow / Interest payments
2. The Company used figures from consolidated financial statements for FY2005 (both interim and year-end), and figures from non-consolidated financial statements for FY2004 and FY2006 (both interim and year-end).
   Market capitalization: Closing stock price on the balance sheet date x Number of shares outstanding on the balance sheet date.
   Operating cash flow is taken from the cash flow statements.
   Interest-bearing liabilities: Liabilities carried on the balance sheets that incur interest.
   Interest payments in the calculation of the interest-coverage ratio: Based on interest payments reported on the statement of cash flow. No share price-related information is available before April 7, 2004, the date we listed on the Second Section of the Tokyo Stock Exchange.

(3) Full-year forecasts

We expect the Japanese economy to continue its steady expansion, despite concerns over surging crude oil prices and other factors, due to increasing personal consumption and robust capital equipment spending.

Regarding the mobile phone business, although industry-wide mobile phone sales volumes are in temporary decline, we expect a mild recovery in the second half. In this environment, we will continue to expand our business in line with our management policy, and work to quickly improve our group’s operational efficiency. Regarding the fixed-line telecommunications business, we aim to expand the business and increase profits by diversifying from our core ‘MYLINE’ business into new lines of business, including ‘FTTH services,’ to take advantage of the trend towards broadband.

We forecast full-year sales of 295,000 million yen, ordinary income of 5,800 million yen, and net income of 3,300 million yen.

The above forecasts are the same as those we announced in our ‘FY2005 Financial Results’ released May 13, 2005.

(4) Business risk

Below we list risk factors to our group’s business performance, financial condition, and share price.

1) Commissions from mobile carriers

Our group receives a commission from mobile phone carriers for each successfully brokered subscription contract. Commissionable service, commission levels, payment period, and the proportion of each subscription line’s telecommunications charges all depend on the specific mobile carrier and season. A significant change in contract conditions due to a change in policy by any or all of the mobile carriers could materially impact our earnings.

2) Industry competition

The mobile industry continues to evolve as technological progress brings about new services and products. There were 89 million users in Japan as of September 2005. However, the high penetration rate means that new subscriber growth continues to slow. This implies greater competition for new subscribers among mobile carriers, and among sales agencies. Fiercer competition in the mobile phone market could lower our profit margins, and materially impact our earnings.

Broadband technology advances have rekindled competition for customers among fixed-line telecommunications companies, and competition among sales agencies including ourselves may heat up as a result. Fiercer competition could lower our profit margins, and materially impact our earnings.

3) Business expansion through acquisitions

We may acquire industry peers to expand our business going forward, and this may impact our financial condition and business performance. There is no guarantee that the acquisition will produce anticipated benefits due to changes in market trends and the economic environment. A poor performance at companies we acquire could make it difficult for us to recover invested capital, and this would impact our earnings and business plans.

4) Legal regulations

i. Personal Information Protection law

The Personal Information Protection Law went into effect on April 1, 2005, and based on the "Guidelines for personal information protection in the telecommunications industry" formulated by the Ministry of Internal Affairs and Communications (MIAC; formerly the Ministry of Posts and Telecommunications), we have concluded confidentiality agreements with each telecommunications carrier with which we do business. Staff with access to the telecom companies' customer information databases are given ID numbers or cards to ensure strict protection of customer information. Additionally, we have thoroughly trained all employees involved in our telecom businesses to observe personal information protection guidelines, particularly with regards to preventing data leaks. Despite our best efforts, the leak of customer data for whatever reason could diminish trust in our company, bring about damages suits, and materially impact our earnings.

ii. Ensuring user confirmation of pre-paid mobile phones

The "Law regarding user confirmation of mobile phone subscribers, and the prevention of illicit use of mobile phone services" was promulgated on April 15, 2005 to prevent billing fraud and other illicit activities commonly associated with the anonymous use of pre-paid mobile phones. Mobile phone carriers have already strengthened steps to confirm users, based on "Guidelines for confirming pre-paid mobile phone users" released by the MIAC on November 30, 2004, in preparation for when the law will go into effect in spring 2006. However, the issue of a government ordinance requiring complicated user confirmation procedures from sales agencies after the law goes into effect could weaken sales, increase costs, and impact our company's earnings.

5) Our relationship with Mitsui & Co., Ltd.

Mitsui & Co., Ltd. owns 61.91% of our outstanding stock of 164,282 shares at the end of September 30, 2005. As a consolidated subsidiary of Mitsui & Co., Ltd., we expect to remain a part of the Mitsui & Co.’s Group. However, a change in group strategy could alter our relationship with Mitsui & Co., Ltd.

However, we do not believe a change in our capital relationship with Mitsui & Co., Ltd. would materially impact our business since we operate our mobile and fixed-line sales and brokerage business independent of the parent company.

4. Interim Financial Statements

(1) Interim Balance Sheets

		Interim FY2005 (As of Sep. 30, 2004)			Interim FY2006 (As of Sep. 30, 2005)			YoY change	FY2005 (As of Mar. 31, 2005)		
Account	*	Million yen		%	Million yen		%	Million yen	Million yen		%
Assets											
I. Current assets											
1. Cash on hand and in banks		736			1,242				339		
2. Accounts receivable - trade		0			4				37		
3. Accounts receivable - other		22,616			24,390				31,733		
4. Inventories		10,464			13,015				10,661		
5. Deferred tax assets		1,000			1,297				1,017		
6. Other current assets		2,133			2,035				2,347		
Allowance for doubtful accounts		(52)			(38)				(50)		
Total current assets			36,900	91.3		41,948	91.7	5,048		46,085	92.4
II. Fixed assets											
1. Property, plant and equipment	*1	538			602				599		
2. Intangible assets		557			435				496		
3. Investments and other assets											
(1) Investment securities		114			262				171		
(2) Investments in affiliates		179			179				179		
(3) Deferred tax assets		515			520				569		
(4) Leasehold deposits		1,431			1,484				1,421		
(5) Others		487			594				631		
Allowance for doubtful accounts		(288)			(271)				(295)		
Total investments and other assets		2,440			2,770				2,678		
Total fixed assets			3,536	8.7		3,808	8.3	271		3,774	7.6
Total assets			40,436	100.0		45,756	100.0	5,320		49,860	100.0

Account	*	Interim FY2005 (As of Sep. 30, 2004) Million yen		%	Interim FY2006 (As of Sep. 30, 2005) Million yen		%	YoY change Million yen	FY2005 (As of Mar. 31, 2005) Million yen		%
Liabilities											
I. Current liabilities											
1. Accounts payable - trade		23,100			25,791				30,549		
2. Short-term borrowings	*2	2,200			1,800				2,500		
3. Current portion of long-term borrowings		37			-				12		
4. Accrued payable-other		1,979			2,237				2,664		
5. Reserve for employees' bonuses		266			305				273		
6. Allowance for early subscription cancellations		179			181				156		
7. Other current liabilities		2,021			2,456				2,242		
Total current liabilities			29,785	73.7		32,772	71.6	2,986		38,399	77.0
II. Long-term liabilities											
1. Liability for employees' retirement benefits		376			418				405		
2. Accrued directors' severance benefits		14			29				24		
Total long-term liabilities			391	0.9		448	1.0	56		430	0.9
Total liabilities			30,176	74.6		33,220	72.6	3,043		38,830	77.9
Shareholders' equity											
I. Common stock			1,500	3.7		1,513	3.3	13		1,500	3.0
II. Capital surplus											
Additional paid-in capital		1,619			1,632				1,619		
Total capital surplus			1,619	4.0		1,632	3.6	13		1,619	3.2
III. Retained earnings											
1. Legal reserve		8			8				8		
2. Unappropriated retained earnings at end of period		7,077			9,241				7,815		
Total retained earnings			7,085	17.6		9,249	20.2	2,164		7,823	15.7
IV. Net unrealized holding gain on securities			54	0.1		140	0.3	86		87	0.2
Total shareholders' equity			10,260	25.4		12,536	27.4	2,276		11,030	22.1
Total liabilities and shareholders' equity			40,436	100.0		45,756	100.0	5,320		49,860	100.0

(2) Interim Statements of Income

		Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)			Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)			YoY change	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)		
Account	*	Million yen		%	Million yen		%	Million yen	Million yen		%
I. Net sales			116,792	100.0		140,075	100.0	23,283		260,008	100.0
II. Cost of goods sold			107,122	91.7		127,937	91.3	20,815		239,860	92.3
Gross profit			9,670	8.3		12,138	8.7	2,467		20,147	7.7
III. Selling, general and administrative expenses			6,978	6.0		8,203	5.9	1,225		15,013	5.7
Operating income			2,692	2.3		3,934	2.8	1,242		5,133	2.0
IV. Non-operating income	*1		16	0.0		21	0.0	5		30	0.0
V. Non-operating expenses	*2		20	0.0		4	0.0	(15)		26	0.0
Ordinary income			2,688	2.3		3,952	2.8	1,263		5,137	2.0
VI. Extraordinary income	*3		102	0.1		18	0.0	(83)		95	0.0
VII. Extraordinary loss	*4		33	0.0		64	0.0	31		51	0.0
Income before income taxes			2,757	2.4		3,906	2.8	1,148		5,182	2.0
Income taxes - current		1,271			1,907				2,396		
Income taxes - deferred		(85)	1,186	1.0	(267)	1,639	1.2	453	(178)	2,217	0.9
Net income			1,571	1.3		2,266	1.6	695		2,964	1.1
Retained earnings brought forward			5,506			6,975				5,506	
Interim dividend paid			-			-				655	
Unappropriated retained earnings at end of period			7,077			9,241				7,815	

(3) Interim Statements of Cash Flows

Account	*	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005) Million yen
I. Cash flows from operating activities		
Income before income taxes		3,906
Depreciation and computer expenses		206
Amortization of goodwill		61
Impairment losses		27
Increase (decrease) in allowance for doubtful accounts		(36)
Increase (decrease) in reserve for employees' bonuses		31
Increase (decrease) in allowance for early subscription cancellations		24
Increase (decrease) in liability for employees' retirement benefits		13
Increase (decrease) in accrued directors' severance benefits		4
Interest and dividend income		(1)
Interest expenses		4
Loss on sale and removal of fixed assets		11
Decrease (Increase) in account receivables		7,376
Decrease (Increase) in inventories		(2,354)
Increase (decrease) in account payables		(4,758)
Payment of bonuses to directors		(20)
Others		(95)
Subtotal		4,401
Interest and dividends received		1
Interest paid		(4)
Income taxes paid		(1,700)
Net cash provided by (used in) operating activities		2,698
II. Cash flows from investing activities		
Payment for purchase of property, plant and equipment		(192)
Proceeds from sale of property, plant and equipment		0
Payment for purchase of software		(56)
Payment for purchase of investment securities		(0)
Proceeds from collection of loans receivable		11
Decrease (increase) in loans to affiliates		50
Payment for leasehold deposits		(74)
Proceeds from leasehold deposits		8
Others, net		(34)
Net cash provided by (used in) investing activities		(288)
III. Cash flows from financing activities		
Increase (decrease) in short-term borrowings		(699)
Repayment for long-term borrowings		(12)
New stock issue expenses		(0)
Proceeds from issuance of new stock		26
Cash dividends paid		(819)
Net cash provided by (used in) financing activities		(1,506)
IV. Net increase in cash and cash equivalents		903
V. Cash and cash equivalents at beginning of period		339
VI. Cash and cash equivalents at end of period	*	1,242

(Translation)

Significant Accounting Policies in the Preparation of Interim Financial Statements

Item	Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
1. Valuation criteria and methods for principal assets	(1) Subsidiary stock Subsidiaries are stated at cost, cost being determined by the moving-average method. (2) Securities Other securities Securities with market quotations: Securities with market quotations are carried at fair value on the balance sheet date. Changes in unrealized holding gain or loss are included directly in shareholders' equity. The cost of securities sold is determined by the moving-average method. Securities without market quotations: Securities without market quotations are stated at cost, cost being determined by the moving-average method. (3) Inventories Merchandise: Merchandise is stated at cost, cost being determined by the first-in first-out method. Supplies: Supplies are stated at cost, cost being determined by the first-in first-out method.	(1) Subsidiary stock Same as on the left. (2) Securities Other securities Securities with market quotations: Same as on the left. Securities without market quotations: Same as on the left. (3) Inventories Merchandise: Same as on the left. Supplies: Same as on the left.	(1) Subsidiary stock Same as on the left. (2) Securities Other securities Securities with market quotations: Securities with market quotations are carried at fair value on the balance sheet date. Changes in unrealized holding gain or loss are included directly in shareholders' equity. The cost of securities sold is determined by the moving-average method. Securities without market quotations: Same as on the left. (3) Inventories Merchandise: Same as on the left. Supplies: Same as on the left.
2. Methods of depreciation and amortization	(1) Property, plant and equipment Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings (excluding fixtures) acquired on or subsequent to April 1, 1998 on which depreciation is calculated by the straight-line method. Equipment, tools and fixtures of self-owned shops are adopted straight-line method. (useful life of 3 years) Useful life of principle assets is as follows: Buildings: 3-20 years Tools and fixtures: 2-20 years (2) Intangible assets Straight-line method. Goodwill: 5 years	(1) Property, plant and equipment Same as on the left. (2) Intangible assets Same as on the left.	(1) Property, plant and equipment Same as on the left. (2) Intangible assets Same as on the left.

Item	Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
3. Accounting for deferred assets	New stock issue expenses Stock issue expenses changed to income as accrued.	New stock issue expenses Same as on the left.	New stock issue expenses Same as on the left.
4. Recognition of significant allowances	(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. (2) Reserves for employees' bonuses As a means of providing for employees' bonus obligations, the Company designates in the reserve account an amount estimated to have accrued for the current interim period. (3) Allowance for early subscription cancellations The Company books an allowance for early subscription cancellations based on historical figures, as the Company must return commissions back to telecom carriers (with which the Company has concluded sales agency agreements) when mobile phone users that have subscribed through the Company or network of sales agencies cancel their subscriptions within a short period of time. (Additional information) The Company previously handled commission refunds for early subscription cancellations by deducting the refund from commission receipts at the time of cancellation (commissions on subscriptions made through sales agencies that need to be refunded to telecom carriers because of early cancellation are deducted from commission receipts and payments). However, because of increased values due to a rise in mobile phone volumes, starting from the current interim period, the Company estimated an allowance for commission refunds on early subscription cancellations based on historical figures, and book these as an allowance for early subscription cancellations.	(1) Allowance for doubtful accounts Same as on the left. (2) Reserves for employees' bonuses Same as on the left. (3) Allowance for early subscription cancellations The Company books an allowance for early subscription cancellations based on historical figures, as the Company must return commissions back to telecom carriers (with which the Company has concluded sales agency agreements) when mobile phone users that have subscribed through the Company or network of sales agencies cancel their subscriptions within a short period of time.	(1) Allowance for doubtful accounts Same as on the left. (2) Reserves for employees' bonuses As a means of providing for employees' bonus obligations, the Company designates in the reserve account an amount estimated to have accrued for the current fiscal year. (3) Allowance for early subscription cancellations The Company books an allowance for early subscription cancellations based on historical figures, as the Company must return commissions back to telecom carriers (with which the Company has concluded sales agency agreements) when mobile phone users that have subscribed through the Company or network of sales agencies cancel their subscriptions within a short period of time. (Additional information) The Company previously handled commission refunds for early subscription cancellations by deducting the refund from commission receipts at the time of cancellation (commissions on subscriptions made through sales agencies that need to be refunded to telecom carriers because of early cancellation are deducted from commission receipts and payments). However, because of increased values due to a rise in mobile phone volumes, starting from the current fiscal year, the Company estimated an allowance for commission refunds on early subscription cancellations based on historical figures, and book these as an allowance for early subscription cancellations.

Item	Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
	The new method lowered net sales by 312 million yen, cost of good sold by 133 million yen, and operating income, ordinary income, and income before income taxes by 179 million yen. (4) Liability for employees' retirement benefits To provide for liability for employees' retirement benefits, the Company provides an allowance in the amount deemed to have accrued at the end of the current interim period based on projected benefit obligations at the end of fiscal year. The Company makes one-off disposals for prior service costs in the fiscal year they occur. The Company makes one-off disposals for actuarial differences in the fiscal year after they occur. (5) Accrued directors' severance benefits To provide for accrued directors' severance benefits, the Company provides an allowance for the aggregate amount payable at the end of period pursuant to the Company's rules on directors' retirement benefits.	(4) Accrued directors' severance benefits Same as on the left. (5) Accrued directors' severance benefits Same as on the left.	The new method lowered net sales by 274 million yen, cost of good sold by 118 million yen, and operating income, ordinary income, and income before income taxes by 156 million yen. (4) Liability for employees' retirement benefits To provide for liability for employees' retirement benefits, the Company provides an allowance in the amount deemed to have accrued at the end of the current fiscal year based on projected benefit obligations at the end of the current fiscal year. The Company makes one-off disposals for prior service costs in the fiscal year they occur. The Company makes one-off disposals for actuarial differences in the fiscal year after they occur. (5) Accrued directors' severance benefits To provide for accrued directors' severance benefits, the Company provides an allowance for the aggregate amount payable at the end of year pursuant to the Company's rules on directors' retirement benefits.
5. Lease transaction	Finance leases other than those, which are deemed to transfer the ownership of the leased assets to the lessees, are accounted for by the method similar to that applicable to ordinary operating leases.	Same as on the left.	Same as on the left.
6. 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 3 months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.	-
7. Other significant accounting policies in the preparation of financial statements	Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Non-deductible consumption taxes on fixed assets are charged to income in the period in which it is recognized.	Accounting for consumption taxes Same as on the left.	Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Non-deductible consumption taxes on fixed assets are charged to income in the year in which it is recognized.

Change in Significant Accounting Policies in the Preparation of Financial Statements

Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
	(Accounting for impairment of fixed assets) Effective the current interim period, the Company has adopted the new accounting standards for the presentation of the Impairment of Assets (Statement of Opinion, “Accounting for Impairment of Fixed Assets,” (Business Accounting Council; August 9, 2002) and the “Accounting Standard Implementation Guidance No. 6: Guidance for Accounting Standards for Impairment of Fixed Assets,” (ASBJ; October 31, 2003). This change in accounting policy has no significant effect on the amount of income. The amounts of impairment losses are directly deducted from the corresponding carrying amounts of assets, in accordance with the revised standards for the preparation of interim financial statements.	

Notes to Interim Financial Statements

Notes to Interim Balance Sheets

Million yen

Interim FY2005 (As of Sep. 30, 2004)	Interim FY2006 (As of Sep. 30, 2005)	FY2005 (As of Mar. 31, 2005)
*1. Accumulated depreciation of property, plant and equipment 1,164	*1. Accumulated depreciation of property, plant and equipment 1,377	*1. Accumulated depreciation of property, plant and equipment 1,250
*2. The Company has current account overdraft agreements with a bank and commitment-line agreements with a financial institution, in order to raise funds efficiently. The balance of unused credit commitment lines based on these agreements as of the end of period is as follows: Current account overdraft and commitment-line: 1,100 Credit used: 0 Credit available 1,099	*2. The Company has current account overdraft agreements with a bank and commitment-line agreements with a financial institution, in order to raise funds efficiently. The balance of unused credit commitment lines based on these agreements as of the end of period is as follows: Current account overdraft and commitment-line: 1,100 Credit used: 0 Credit available 1,099	*2. The Company has current account overdraft agreements with a bank and commitment-line agreements with a financial institution, in order to raise funds efficiently. The balance of unused credit commitment lines based on these agreements as of the end of year is as follows: Current account commitment-line: 1,100 Credit used: 0 Credit available 1,099
3. -	3. Amount of accumulated depreciation is included impairment losses	3. -

Increase in number of outstanding shares

Date	Type	Number of outstanding shares	Issue price	Amount credited to capital per share
Apr. 11, 2005 - Sep. 22, 2005	Exercise of Stock Acquisition Rights	402 shares	65 thousand yen	13,065 thousand yen

The exercise of stock acquisition rights in the period from Apr. 11, 2005 to Sep. 22, 2005 increased outstanding shares by 402 shares, capital by 13 million yen, and additional paid in capital by 13 million yen.

Notes to Interim Statements of Income

Million yen

Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)		Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)		FY2005 (Apr. 1, 2004 – Mar. 31, 2005)	
*1. Significant components of non-operating income		*1. Significant components of non-operating income		*1. Significant components of non-operating income	
Interest income	2	Interest income	0	Interest income	4
Rent income	8	Rent income	7	Rent income	14
*2. Significant components of non-operating expenses		*2. Significant components of non-operating expenses		*2. Significant components of non-operating expenses	
Interest expense	5	Interest expense	4	Interest expense	9
Listing expense	7			Listing expense	9
New stock issue expenses	7			New stock issue expenses	7
*3. Significant components of extraordinary income		*3. Significant components of extraordinary income		*3. Significant components of extraordinary income	
Reversal of allowance for doubtful accounts	102	Reversal of allowance for doubtful accounts	18	Reversal of allowance for doubtful accounts	95
*4. Significant components of extraordinary loss		*4. Significant components of extraordinary loss		*4. Significant components of extraordinary loss	
Loss on sales of tools and fixtures	5	Eviction fees	25	Loss on sales of tools and fixtures	5
Loss on removal of buildings	7	Loss on impairment of buildings	19	Loss on removal of buildings	14
Loss on removal of tools and fixtures	3	Loss on impairment of tools and fixtures	8	Loss on removal of tools and fixtures	13
Loss on revaluation of telephone rights	16	Loss on removal of buildings	11	Loss on revaluation of telephone rights	16
5. Depreciation and amortization		5. Depreciation and amortization		5. Depreciation and amortization	
Property, plant and equipment	122	Property, plant and equipment	149	Property, plant and equipment	312
Intangible assets	61	Intangible assets	61	Intangible assets	122

Notes to Interim Statements of Cash Flows

Million yen

Interim FY2006
(Apr. 1, 2005 - Sep. 30, 2005)

Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the period is made as follows:

	(As of Sep. 30, 2005)
Cash on hand and in banks	1,242
Cash and cash equivalents	1,242

1) Leases

Million yen

<table>
<tr><th>Interim FY2005
(Apr. 1, 2004 – Sep. 30, 2004)</th><th>Interim FY2006
(Apr. 1, 2005 – Sep. 30, 2005)</th><th>FY2005
(Apr. 1, 2004 – Mar. 31, 2005)</th></tr>
<tr><td>1. Finance lease transactions other than those in which the title of the leased property is transferred to the lessee.
(1) Acquisition cost, accumulated depreciation and period-end balance equivalents of the leased property.

Tools and fixtures:
Acquisition cost 3
Accumulated depreciation 2
Period-end balance 0

Software:
Acquisition cost -
Accumulated depreciation -
Period-end balance -

Total:
Acquisition cost 3
Accumulated depreciation 2
Period-end balance 0

Note: Acquisition cost equivalents include amounts applicable to interest since the outstanding balance of lease commitments at period-end are insignificant in the context of property, plant and equipment.

(2) Outstanding lease commitments at period-end.
Within one year 0
Over one year -
Total 0
Note: Outstanding balance of lease commitments at period-end include amounts applicable to interest since the outstanding balance of lease commitments at period-end are insignificant in the context of property, plant and equipment.

(3) Lease payments and depreciation equivalents
Lease payments 0
Depreciation 0

(4) Calculation of accumulated depreciation equivalents
Depreciation is calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero.</td>
<td>1. Finance lease transactions other than those in which the title of the leased property is transferred to the lessee.
(1) Acquisition cost, accumulated depreciation and period-end balance equivalents of the leased property.

Tools and fixtures:
Acquisition cost 16
Accumulated depreciation 1
Period-end balance 14

Software:
Acquisition cost -
Accumulated depreciation -
Period-end balance -

Total:
Acquisition cost 16
Accumulated depreciation 1
Period-end balance 14

Note: The same as on the left.

(2) Outstanding lease commitments at period-end.
Within one year 3
Over one year 11
Total 14
Note: The same as on the left.

(3) Lease payments and depreciation equivalents
Lease payments 1
Depreciation 1

(4) Calculation of accumulated depreciation equivalents
Same as on the left.</td>
<td>1. Finance lease transactions other than those in which the title of the leased property is transferred to the lessee.
(1) -

(2) -

(3) Lease payments and depreciation equivalents
Lease payments 0
Depreciation 0

(4) Calculation of accumulated depreciation equivalents
Same as on the left.</td></tr>
</table>

2) Securities

Interim FY2005 (As of Sep. 30, 2004):

The Company did not hold subsidiary stock with market quotations.

Interim FY2006 (As of Sep. 30, 2005):

1. The Company did not hold subsidiary stock with market quotations.
2. Securities with market quotations classified as "Other securities"

Million yen

	Acquisition cost	Carrying value	Valuation gain
Stock	22	260	237
Total	22	260	237

3. Securities without market quotations

Million yen

	Carrying value
Other securities Non-listed securities	2

FY2005 (As of Mar. 31, 2005):

The Company did not hold subsidiary stock with market quotations.

Derivatives

Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
Not applicable. The Company was not involved in any derivative transactions.	Same as on the left.	Same as on the left.

Equity method income

Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
Not applicable. The Company prepared consolidated financial statements in the current interim period.	Not applicable.	Not applicable. The Company prepared consolidated financial statements in the current fiscal year.

Per Share Information

Yen

Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
Shareholders' equity per share 62,607.69 Net income per share (basic) 9,617.96 Net income per share (diluted) 9,573.93 A two-for-one stock split was conducted on July 9, 2004. Per share information calculated as if this split had occurred at the beginning of previous period is presented below. Previous interim period: Shareholders' equity per share 41,572.58 Net income per share (basic) 11,400.15 The Company has not listed net income per share (diluted) because, although stock option system allows for stock acquisition rights, it is not possible to ascertain the average share price in the term because the shares are not listed nor registered. Previous fiscal year: Shareholders' equity per share 46,500.13 Net income per share (basic) 16,231.82 The Company has not listed net income per share (diluted) because, although stock option system allows for stock acquisition rights, it is not possible to ascertain the average share price in the term because the shares are not listed nor registered.	Shareholders' equity per share 76,311.14 Net income per share (basic) 13,806.28 Net income per share (diluted) 13,748.46	Shareholders' equity per share 67,181.27 Net income per share (basic) 17,991.52 Net income per share (diluted) 17,905.56 A two-for-one stock split was conducted on July 9, 2004. Per share information calculated as if this split had occurred at the beginning of previous period is presented below. Shareholders' equity per share 46,500.13 Net income per share (basic) 16,231.82 The Company has not listed net income per share (diluted) because, although stock option system allows for stock acquisition rights, it is not possible to ascertain the average share price in the term because the shares are not listed nor registered.

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

Million yen

	Interim FY2005 (Apr. 1, 2004 – Sep. 30, 2004)	Interim FY2006 (Apr. 1, 2005 – Sep. 30, 2005)	FY2005 (Apr. 1, 2004 – Mar. 31, 2005)
Net income per share (basic)			
Net income	1,571	2,266	2,964
Interim net income available to common shares	1,571	2,266	2,943
Net income not available to common shareholders	-	-	20
Average number of shares outstanding	163,355 shares	164,165 shares	163,616 shares
Net income per share (diluted)			
Adjusted net income	-	-	-
Increase in the number of common shares	751 shares	690 shares	785 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	Stock acquisition rights: 1,192 units	-	-

Subsequent Events

<table>
<tr><th>Interim FY2005
(Apr. 1, 2004 – Sep. 30, 2004)</th><th>Interim FY2006
(Apr. 1, 2005 – Sep. 30, 2005)</th><th>FY2005
(Apr. 1, 2004 – Mar. 31, 2005)</th></tr>
<tr><td>-</td><td>Stock splits:
Board of Directors Meeting held on November 7, 2005, approved a resolution to conduct a stock split.
(1) Purpose of stock split
Improvement the liquidity of its stock and broaden the base of shareholders.

(2) Details of the stock split
a) Method of split
For shareholders and beneficial shareholders on record as of November 30, 2005, each share will be split into two shares.
b) Increase in the number of shares due to stock split
As of November 7, 2005, the number of outstanding shares on November 30, 2005 is unclear due to the exercise of stock acquisition rights based on stock option system. The forecast of the number of outstanding shares on November 30, 2005 is based on the number of outstanding shares on September 30, 2005.

Number of shares outstanding before the stock split (as of Sep. 30, 2005)
Common stock: 164,282 shares
Increase in the number of shares due to the stock split
Common stock: 164,282 shares
Number of shares outstanding after the stock split:
Common stock: 328,564 shares
Capital stock after the stock split:
1,160,000 shares
c) Effective date: Jan. 20, 2006
d) Dividend calculation date:
Oct. 1, 2005

Per-share information calculated as if this split had occurred at the beginning of previous fiscal period is presented below.
Shareholders’ equity per share:
31,303.84 yen
Net income per share (basic):
4,808.98 yen
Net income per share (diluted):
4,786.96 yen

On July 9, 2004, the Company split its common stock two-for-one.
Per-share information calculated as if this split had occurred at the beginning of FY2006 is presented below.
Shareholders’ equity per share:
38,155.57 yen
Net income per share (basic):
6,903.14 yen
Net income per share (diluted):
6,874.23 yen</td><td>Subsequent event of stock options:
The Company’s 14th General Meeting of Shareholders, held on June 28, 2005, approved a resolution to grant stock acquisition rights (stock options) to directors, officers, and employees pursuant to the provisions of Article 280-20 and Article 280-21 of the Commercial Code of Japan.</td></tr>
</table>

5. Procurement and Sales

(1) Procurement

The followings are product procurement (product value totals and commissions paid) in the current interim period by business segment.

Million yen

Business segments	Items	Amount	YoY (%)
Mobile business	Mobile telecom equipment	74,308	-
	Sales agency commissions	50,620	-
	Subtotal	124,928	-
Network business/others	Other products	67	-
	Sales agency commissions	5,298	-
	Subtotal	5,365	-
Company-wide	Total	130,294	-

Notes:

1. The Company does not have year-over-year comparisons as the Company prepared consolidated interim financial statements in the previous interim period.
2. The above figures do not include consumption taxes.

(2) Sales

The followings are sales (product sales and commissions receipt) in the current interim period by business segment.

Million yen

Business segments	Items	Amount	YoY (%)
Mobile business	Mobile telecom equipment	60,200	-
	Sales agency commissions	72,434	-
	Subtotal	132,635	-
Network business/others	Other products	83	-
	Sales agency commissions	7,356	-
	Subtotal	7,440	-
Company-wide	Total	140,075	-

Notes:

1. The Company does not have year-over-year comparisons as the Company prepared consolidated interim financial statements in the previous interim period.
2. The above figures do not include consumption taxes.
3. The sales performance according to mobile carrier, and the ratio to overall sales, is shown below.

	Interim FY2005 Apr. 1, 2004 – Sep. 30, 2004		Interim FY2006 Apr. 1, 2005 – Sep. 30, 2005	
	Million yen	%	Million yen	%
KDDI CORPORATION	-	-	26,137	18.7
NTT DoCoMo, Inc.	-	-	16,044	11.5

Notes:

1. The Company does not have year-over-year comparisons as the Company prepared consolidated interim financial statements in the previous interim period.
2. The above figures do not include consumption taxes.